INVITROCUE LIMITED AND CONTROLLED ENTITIES ASX:IVQ

ABN 50 009 366 009

Annual Report
For the year ended

30 June 2017

EXECUTIVE'S MESSAGE

Dear Shareholders,

It is with great pleasure that I am able to address you again through this Annual Report. In addition to our quarterly shareholders' teleconference call opened to all shareholders, you can also expect more regular announcements and the use of electronic newsletters to help you keep pace of our growth activities and trajectory.

Invitrocue was successful in meeting a number of key milestones this past Financial Year which included (i) commercial traction with its underlying cell based testing services, with significant increases in our revenue stream, (ii) expanded the firms' underlying cell based testing services to include new offerings available in the new Financial Year, and (iii) initiated our company's entry into the new and exciting space of Personalized Precision Oncology testing services by extending our cell based capabilities and know how.

For the new Financial Year, our company will be focusing and investing in two major areas; (i) deepening and growing our existing revenue streams in cell base testing and analytics businesses globally, and (ii) launching and scaling Invitrocue's Onco-PDO Personalized Precision Oncology testing services. Allow me to offer more insights in each of these efforts.

On growing our existing revenue streams, Invitrocue will be increasing its scientific team to support its key clients of pharmaceutical companies and research institutions. We will be strengthening our team both in terms of scientific capabilities in supporting the current assays we offer and in developing new offerings. Additionally, our company will be introducing new analytics services and products.

On Personalized Precision Oncology testing services, our company will begin to execute on a clear and effective commercialization strategy to take advantage of its first mover advantage in the space. Invitrocue will need to put in place a competent scientific and clinical team poised to support this roll out with Australia and Asia initially, followed by Europe and USA.

The clinical rationale to guide individualized cancer drug and therapy selection exist today with a significant unmet need globally. While the number of new cancer drugs and approaches will continue to grow, the need to be able to help clinical decisions in selecting drug or therapy for each patient is needed now than ever before. Given the very complex and individualized nature of cancer biology, Invitrocue is well positioned to help guide the use of such drugs and therapy that could lead to better treatment outcome, survivability, quality of life and costs. All these efforts will be supported with responsible and ethical approaches in validating each cancer indication.

Looking forward, Invitrocue have procured the necessary management capability, operational strategies, clinical acceptance through peer-reviewed publications and relevant laboratory infrastructure to support this growth. In the coming quarters and financial periods, you can expect to continue to received regular news and updates on our growth trajectory. You can expect to participate in that growth through greater communications, often directly with the management. You can expect our company to grow its businesses and revenues, while answering important clinical needs in the cancer space. As an Invitrocue shareholder, you can expect a meaningful and rewarding return on your investments and trust.

On behalf of the management team and Board, we wish you and your love ones a healthy and profitable year ahead.

Yours faithfully

Dr Steven Fang

Corporate Information

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the directors' report.

Directors
Boon Sing Fang
Jamie Khoo Gee Choo
Hanry Yu
Ee Ting Ng
Chow Yee Koh

Company Secretary
Chow Yee Koh

Registered Office
Level 2, 350 Kent Street, SYDNEY NSW 2000

Principal place of business
11 Biopolis Way, #12-07/08 Helios, Singapore 138667

Share Register
Security Transfer Registrars Pty Ltd
770 Canning Highway, APPLECROSS WA 6153

Auditors
Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street SYDNEY NSW 2000

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DIRECTORS' REPORT

The directors of Invitrocue Limited (the Company) and its controlled entities (the Group) submit herewith their annual report for the year ended 30 June 2017. In order to comply with the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names and details of the Company's directors in office during the financial year and up to the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Dr Steven Fang Boon Sing (Managing director)

Dr Steven Fang Boon Sing is a co-founder of Singapore incorporated Invitrocue Pte Ltd, and is responsible for overall corporate and business development, along with fund raising and key staff appointments. Dr Steven Fang has a wealth of experience in the pharmaceutical and life sciences fields, most notably as the founder and former CEO of Capbridge (2014 - 2017), as former partner at Clearbridge Accelerator (2013 - 2017) and as founder and former CEO of the Cordlife Group (2001 – 2012). Prior to this, he was General Manager at Beckton Dickinson (1996 – 2000), Business Unit Manager at Baxter Inc (1991 – 1995) and Business Development Manager at Sterling Pharmaceutical (1984 – 1990).

Dr Fang has no directorship in other listed Companies.

Ms Jamie Khoo Gee Choo (Non-Executive Director).

Ms Khoo has a Master of Business Studies and is a fellow member of the Institute of Singapore Chartered Accountants. Ms Khoo has over 20 years' experience in accounting and corporate finance and extensive experience in Company funding, investment evaluation, due diligence and structuring.

Ms Khoo is also director of ASX listed Lionhub Group Ltd and Stemcell United Limited.

Prof Hanry Yu (Non-Executive director)

Prof Hanry Yu is a Professor of Physiology at the Yong Loo Lin School of Medicine in the National University Health System (NUHS) Singapore. He is also a Group Leader of Tissue Engineering at the Institute of Bioengineering and Nanotechnology with the Agency for Science Technology and Research (A*STAR) Singapore; Director of the Microscopy and Cytometry core facilities in NUHS; Principal Investigator at the Singapore Mechanobiology Institute. From 2008-2014, Prof. Yu was a visiting professor of Mechanical and Biological Engineering at the Massachusetts Institute of Technology, USA. Prof Yu is also co-founder of Invitrocue Pte Ltd and Chairman of the Group's Scientific Advisory Board.

Prof Yu has no directorship in other listed Companies.

Ms Ng Ee Ting (Non-Executive Director).

Ms Ng has a Bachelor of Science with Honours and over 10 years of research experience in the fields of developmental and evolutionary biology. Ms Ng specialises in a wide range of experimental techniques in molecular biology, histology, tissue culture (including stem cells), microbiology and molecular diagnostic science. Ms Ng also has expertise in laboratory management and cosmetic science formulation.

Ms Ng has no directorship in other listed Companies.

Mr Koh Chow Yee (Director).

Mr Koh has a Bachelor of Commerce and is a fellowship member of the Association of Chartered Certified Accountants (UK). Mr Koh has over 17 years' experience in accounting, auditing and corporate finance. Mr Koh is also the Company secretary.

Mr Koh is also a director of ASX listed Stemcell United Limited.

COMPANY SECRETARY

Mr Koh Chow Yee held the position of company secretary of Invitrocue Limited at the end of the financial year.

DIRECTORS' REPORT (CONTINUED)

PRINCIPAL ACTIVITIES

The principal activities of the Group are those relating to research and experimental development on biotechnology, life and medical science.

DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made at the date of this report.

REVIEW OF OPERATIONS

The Group recorded a revenue of $740,951 (2016: S$83,205) which represents an increase of 345% on an annualized basis. The group also recorded a lower net loss of S$1,835,472 (2016: S$20,473,566).

The increase can be attributed to the Group was successful in meeting a number of key milestones for the financial year which included:

- (i) commercial traction with its underlying cell based testing services, with significant increases in our revenue stream,
- (ii) expanded the firms' underlying cell based testing services, and
- (iii) initiated our company's entry into the new and exciting space of Personalized Precision Oncology testing services by extending our cell based capabilities and know how. This is a new market of which personalised drug testing are conducted using FDA approved drugs to improve individual treatment outcomes in selected solid tumours. The Group will grow in its laboratories, the patient-derived tumour cells (an organoid) so as to understand the impact and efficacy of various cancer treatment drugs on the individual patient's tumour cells.
- (iv) entered into various collaborations with renowned research institutions like Genome Institute of Singapore, QIAGEN Suzhou Translational Medicine Co Ltd in China and Garvan Institute of Medical Research in Australia, to validate and promote the use of IVQ's proprietary technology in the various countries.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Group during the financial year.

DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Refer to Note 2 of the financial report for details of significant events after the reporting date.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will be focusing and investing in two major areas:

(i) deepening and growing our existing revenue streams in cell base testing and analytics businesses globally, and

(ii) launching and scaling Invitrocue's Onco-PDO Personalized Precision Oncology testing services by putting in place, a competent scientific and clinical team poised to support this roll out with Australia and Asia initially, followed by Europe and USA.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is not subject to any specific environmental regulation in its operations under the law of a state/territory or Commonwealth of Australia.

OPTIONS

The options outstanding as at the date of this report are:

	Number
Options issued to lead manager on successful completion of Offer, expiring on 14 January 2019, exercisable at A$0.10 per option	1,000,000
Warrants issued to subscriber of convertible notes, expiring on 14 July 2018, exercisable at A$0.10 per warrant	10,000,000
Warrants issued to placement subscriber, expiring on 30 June 2018, exercisable at A$0.08 per warrant	2,057,563
TOTAL	13,057,563

MEETINGS OF DIRECTORS

The number of Directors Meetings held during the year, and the number of meetings attended by each Director is as follows:

Directors' Name	Board Meetings	
	Number of meetings the Director was eligible to attend	Number of meetings the Director attended
Steven Fang Boon Sing	4	4
Jamie Khoo Gee Choo	4	4
Hanry Yu	4	4
Ng Ee Ting	4	4
Koh Chow Yee	4	4

DIRECTORS' REPORT (CONTINUED)

INDEMNIFICATION AND INSURANCE OF DIRECTORS, AUDITORS AND OFFICERS

During the year, the Group paid a premium to insure officers of the Group. The officers covered by the insurance policy include all directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

REMUNERATION REPORT - AUDITED

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Invitrocue Limited's key management personnel ("KMP") for the financial year ended 30 June 2017. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

Key management personnel

The directors and other key management personnel of the consolidated entity during or since the end of the financial year were:

Name	Position	Appointment	Ceased
Steven Fang Boon Sing	Managing director	20 January 2016	n/a
Jamie Khoo Gee Choo	Non-executive director	18 May 2015	n/a
Hanry Yu	Non-executive director	24 March 2016	n/a
Ng Ee Ting	Non-executive director	18 May 2015	n/a
Koh Chow Yee	Non-executive director	18 May 2015	n/a

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

Remuneration policy and framework

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and senior executives. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration of directors and executives is referred to as compensation as defined in AASB 124.

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board obtains independent advice on the appropriateness of compensation packages of the Group given trends in comparative companies and the objectives of the Group's compensation strategy.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the relevant segments' performance;
- the Group's performance including:
    - the Group's earnings;
    - the growth in share price and delivering constant returns on shareholder wealth; and
    - The amount of incentives within each key management person's compensation.

Executive's compensation packages include a mix of fixed and variable compensation. For the financial year ended 30 June 2017, executive KMP receive only a fixed compensation as the Group is still in the development stage. There is no short term or long term incentive plan for executive's compensation for the current financial year.

Non-executive directors' compensation package draws from a fee pool of currently $350,000 (2016: $350,000) per annum including superannuation. The fees are set with consideration to the fees paid in companies of a similar size and complexity.

REMUNERATION REPORT – AUDITED (continued)

Remuneration policy (continued)

- *Fixed remuneration*

  Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

  Compensation levels are reviewed annually through a process that considers individual, segment and overall performance of the Group. In addition external consultants may be engaged to provide analysis and advice to ensure the directors' and senior executives' compensation is competitive in the market place. A senior executive's compensation is also reviewed on promotion.

- *Performance-linked remuneration*

  Performance-linked compensation includes both short-term and long-term incentives and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an "at risk" bonus provided in the form of cash, while the long-term incentive (LTI) is provided as options over ordinary shares of the Company under the rules of the Employee Share Option Plan.

Relationship between the remuneration policy and Company performance

The Board currently believes given the size and nature of the Group, a fixed salary is appropriate. At the appropriate time, the Board will explore the use of performance based remuneration.

REMUNERATION REPORT – AUDITED (continued)

Remuneration of key management personnel

Directors	Short term employee benefits		Post-Employment benefits	Long term employee benefit	Share based	Total
	Salary & Fees A$	*Non-Monetary A$*	*Super-annuation A$*	*Long Service leave A$*	*Equity & Options A$*	*A$*
Executive director						
Steven Fang Boon Sing						
2017	95,194	-	11,652	-	-	106,846
2016#	40,926	-	5,009	-	-	45,935
Non – executive directors						
Jamie Khoo Gee Choo						
2017	36,000	-	3,420	-	-	39,420
2016#	17,500	-	1,650	-	-	19,150
Hanry Yu						
2017	47,597	-	8,099	-	-	55,696
2016#	12,278	-	2,089	-	-	14,367
Ng Ee Ting						
2017	24,000	-	2,280	-	-	26,280
2016#	11,200	-	1,058	-	-	12,258
Koh Chow Yee						
2017	30,000	-	2,850	-	-	32,850
2016#	14,500	-	1,368	-	-	15,868
Total						
2017	232,791	-	28,301	-	-	261,092
2016	96,404	-	11,174	-	-	107,578

Comparative remuneration is for the period of 1 January 2016 to 30 June 2016

REMUNERATION REPORT – AUDITED (continued)

Employment details of key management personnel (KMP)

The following table provides key terms of employment contract of persons who were, during the financial year, members of key management personnel (KMP) of the Group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

Key Management Personnel	Position held as at 30 June 2017 and any change during the year	Contract detail (duration & termination)	Proportions of elements of remuneration related to performance		Proportions of elements of remuneration not related to performance
			Non-salary cash-based incentives %	*Options* %	*Fixed Salary/ Fees* %
Steven Fang Boon Sing	Managing director	No fixed term	-	-	100%
Jamie Khoo Gee Choo	Non-executive director	No fixed term	-	-	100%
Hanry Yu	Non-executive director	No fixed term	-	-	100%
Ng Ee Ting	Non-executive director	No fixed term	-	-	100%
Koh Chow Yee	Non-executive director	No fixed term	-	-	100%

The Board currently believes given the size and nature of the Group, a fixed salary is appropriate. At the appropriate time, the Board will explore the use of performance based remuneration.

Other Key Management Personnel

The employment contracts in place for all other key management personnel contain provisions whereby the employment relationship can be terminated by either party at any time, with or without notice and with or without cause.

Share based remuneration

Nil

REMUNERATION REPORT – AUDITED (continued)

Key management equity holdings

The number of shares in the Company held during the financial year by each Director, including their related entities, are set out below:

2017	Balance at the start of the year	Changes during the year	Balance at the end of the year
Jamie Khoo Gee Choo	3,794,558	-	3,794,558
Boon Sing Fang	153,785,374	-	153,785,374
Hanry Yu	49,602,852	-	49,602,852
Ee Ting Ng	-	-	-
Chow Yee Koh	-	-	-

2016	Balance at the start of the year	Changes during the year	Balance at the end of the year
Jamie Khoo Gee Choo	3,794,558	-	3,794,558
Boon Sing Fang	-	153,785,374	153,785,374
Hanry Yu	-	49,602,852	49,602,852
Ee Ting Ng	-	-	-
Chow Yee Koh	-	-	-
William Urquhart	2,000,000	(2,000,000)*	-

* The Key Management Personnel resigned during the 2016 financial year.

Transaction and balances with KMP and related parties

Please refer to the Note 22 and 23 to the financial statements.

End of remuneration report

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Board of Directors is satisfied that the provision of non-audit services by the auditor during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and do not compromise the general principles relating to auditor independence as set out in the Chartered Accountants Australia and New Zealand and CPA Australia's APES 110: Code of Ethics for Professional Accountants.

The Company's auditors Deloitte were not engaged to perform non-audit services.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 15 of the Annual Report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors pursuant to s 298(2) of the Corporations Act 2001.

Signed by

Steven Fang Boon Sing
Director
29 September 2017

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Australia

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Board of Directors
Invitrocue Limited
Level 2, 320 Kent Street
Sydney, NSW 2000

29 September 2017

Dear Board Members

Invitrocue Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Invitrocue Limited.

As lead audit partner for the audit of the consolidated financial statements of Invitrocue Limited for the financial period ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carlo Pasqualini
Partner
Chartered Accountants

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Invitrocue Limited and its Controlled Entities ('the Group') have adopted the third edition of the *Corporate Governance Principles and Recommendations* which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ending 30 June 2017 is dated and approved by the Board on 23 May 2017. The Corporate Governance Statement is available on the Group's website at http://www.invitrocue.com/category/corporate-governance/

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	12 months to 30 June 2017 S$	6 months to 30 June 2016 S$
Revenue		740,951	83,205
Cost of Sales		(368,159)	(60,536)
Gross profit		372,792	22,669
Other income	3	204,915	279,423
Depreciation and amortisation expenses		(102,115)	(52,696)
Staff costs		(1,109,320)	(491,620)
Administrative expenses	4	(1,171,801)	(817,896)
Finance costs	5	(29,943)	(349,208)
Listing cost	28	-	(19,064,238)
Loss before income tax expense		(1,835,472)	(20,473,566)
Income tax expense	6	-	-
Loss for the year		(1,835,472)	(20,473,566)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign subsidiary		746	279,915
Total comprehensive loss for the year		(1,834,726)	(20,193,651)
Loss per share			
Basic (cents per share)	7	(0.413)	(6.805)
Diluted (cents per share)	7	(0.413)	(6.805)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2017 S$	30 June 2016 S$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		601,797	1,772,539
Trade and other receivables	8	344,509	156,498
Current tax receivable		-	6,595
Finished goods		106,081	85,380
TOTAL CURRENT ASSETS		1,052,387	2,021,012
NON CURRENT ASSETS			
Intangible assets	9	141,830	34,000
Plant and equipment	10	142,328	233,397
TOTAL NON CURRENT ASSETS		284,158	267,397
TOTAL ASSETS		1,336,545	2,288,409
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	409,782	276,199
Finance leases	12	1,573	10,095
Deferred capital grant	13	53,049	10,316
Provisions	14	169,648	210,735
TOTAL CURRENT LIABILTIES		634,052	507,345
NON CURRENT LIABILITIES			
Amount due to a director	15	548,516	470,012
Provisions	14	44,918	44,918
Deferred rent		-	8,934
Finance leases	12	-	1,683
Deferred capital grant	13	23,211	33,526
TOTAL NON CURRENT LIABILTIES		616,645	559,073
TOTAL LIABILTIES		1,250,697	1,066,418
NET ASSETS		85,848	1,221,991

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	30 June 2017 S$	30 June 2016 S$
EQUITY			
Share capital	16	22,927,455	22,241,656
Options and warrant reserves	17	372,037	359,253
Contributions reserve	18	42,360	42,360
Accumulated losses		(23,536,624)	(21,701,152)
Foreign currency translation reserve		280,620	279,874
TOTAL EQUITY		85,848	1,221,991

The above statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Options and warrants reserves	Contributions Reserve	Accumulated losses	Foreign currency translation reserve	Total
	S$	S$	S$	S$	S$	S$
Balance at 1 January 2016	960,665	-	42,360	(1,227,586)	(41)	(224,602)
Shares issued on acquisition of accounting subsidiary	18,029,936	-	-	-	-	18,029,936
Issue of shares	3,675,731	-	-	-	-	3,675,731
Share issue costs	(424,676)	-	-	-	-	(424,676)
Issuance of options and warrants	-	359,253	-	-	-	359,253
Loss for the year	-	-	-	(20,473,566)	-	(20,473,566)
Other comprehensive income	-	-	-	-	279,915	279,915
Total comprehensive loss	-	-	-	(20,473,566)	279,915	(20,193,651)
Balance at 30 June 2016	22,241,656	359,253	42,360	(21,701,152)	279,874	1,221,991
Issue of shares	685,799	-	-	-	-	685,799
Issue of warrants	-	12,784	-	-	-	12,784
Loss for the year	-	-	-	(1,835,472)	-	(1,835,472)
Other comprehensive income	-	-	-	-	746	746
Total comprehensive loss	-	-	-	(1,835,472)	746	(1,834,726)
Balance at 30 June 2017	22,927,455	372,037	42,360	(23,536,624)	280,620	85,848

The above statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	12 months to 30 June 2017 S$	6 months to 30 June 2016 S$
CASH FLOWS RELATING TO OPERATING ACTIVITIES			
Receipt from customers		708,321	778,941
Payment to suppliers and employees		(2,553,265)	(3,713,275)
Interest paid		(787)	(409)
Interest received		4,022	12,124
Income tax paid		-	(6,595)
Total cash used in operating activities	19	(1,841,709)	(2,929,214)
CASH FLOWS RELATING TO INVESTING ACTIVITIES			
Purchase of plant and equipment		(6,181)	(5,883)
Purchase of intangible assets		(72,229)	-
Repayment of finance lease		(10,205)	(5,047)
Net cash acquired on reverse acquisition	28	-	1,993,264
Total cash (used in)/from investing activities		(88,615)	1,982,334
CASH FLOWS RELATING TO FINANCING ACTIVITIES			
Proceeds from issue of shares, net of costs		698,583	2,734,141
Loan from director		52,777	-
Total cash from financing activities		751,360	2,734,141
Net (decrease)/increase in cash and cash equivalent		(1,178,964)	1,787,261
Cash and cash equivalent at beginning of financial year		1,772,539	25,215
Effect of foreign exchange rate on the balance of cash held in foreign currencies		8,222	(39,937)
Cash and cash equivalent at end of financial year		601,797	1,772,539

The above statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

This financial report includes the financial statements and notes of Invitrocue Limited (the Company) and its controlled entities (the Group). Invitrocue Limited is a listed public Company incorporated and domiciled in Australia.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.* Invitrocue Limited is a for profit entity for the purposes of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards ("IFRS"). Significant material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities as issued by the International Accounting Standards Board. All amounts are expressed in Singapore dollars unless otherwise noted.

Going Concern

The Directors have prepared the year-end financial report on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The statement of profit or loss and other comprehensive income reflects a consolidated net loss of $1,834,726 (2016: 20,193,651) and the consolidated statement of cash flows shows a net operating cash outflow of $1,841,709 (2016: $2,929,214) for the year ended 30 June 2017. The statement of financial position shows net assets of $85,848 (2016: $1,221,991).

The Directors have reviewed the cash flow forecast for the Group through to 30 September 2018. The forecast indicates that the Group will be able to pay its debts as and when they fall due after considering the following factors:

- As at 30 June 2017, the Group had available cash resources of $601,797. Subsequent to year-end, the Group has raised additional capital of $581,000 and had available cash resources of $720,000 as at 26 September 2017.
- The Group is in the process of undertaking a further capital raising and will be required to raise at least $1,500,000 before 30 November 2017.
- Since the end of the financial year, the Group has signed new contracts with customers worth $395,000 of revenue. In addition, the Group is in various stages of negotiations with a number of customers and it is expected that these negotiations will result in additional revenue to be earned by the Group within the next 12 months.

The Directors are confident that the Group will be successful in achieving the above matters and that it is therefore appropriate to prepare the financial statements on the going concern basis and that the Group will be able to pay its debts as and when they become due and payable from operating cash flows and additional capital raised.

In the event that the Group is not able to raise the additional capital and is not successful in negotiations with a number of its customers as per the cash flow forecast, such events would create a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern and therefore, it may be unable to realise its assets and extinguish its liabilities in the normal course of business.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Reverse acquisition accounting

On 6 November 2015, Invitrocue Limited issued a Prospectus for the offer of up to 35 million shares at a price of $0.10 per Share to raise up to $3,500,000. Included in the prospectus was a proposal for Invitrocue Limited to acquire all the shares of Invitrocue Pte Limited subject to certain conditions. On 14 January 2016, Invitrocue Limited acquired all the shares of Invitrocue Pte Limited by means of a scrip offer of 227,941,637 shares as consideration. Although Invitrocue Limited is the legal acquirer of Invitrocue Pte Limited, Invitrocue Limited is deemed not to meet the definition of a business under *AASB 3: Business Combinations*. Consequently, AASB 3 does not apply to this transaction. However, an acquirer still needs to be identified. Based on the facts and circumstances, the acquirer is considered to be Invitrocue Pte Limited and the transaction is treated as a reverse takeover as Invitrocue Pte Limited has used Invitrocue Limited to obtain an ASX listing. Invitrocue Pte Limited therefore becomes the Accounting acquirer and parent and Invitrocue Limited is the Accounting acquiree and subsidiary. The value of the shares in the Invitrocue Limited consolidated Group in excess of the fair value of the net assets of Invitrocue Limited immediately prior to the transaction is considered to be a share based payment and has been accounted for in accordance with *AASB 2: Share Based Payments*. Refer Note 28 for further details.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of directors.

(d) Foreign currency translation

The financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position of the entity are expressed in Singapore dollars, which is the functional currency of Invitrocue Pte Limited (the accounting parent), and the presentation currency for the financial statements. The functional currency of Invitrocue Limited (the accounting subsidiary) is Australian dollars.

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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 on monetary items are recognised in profit or loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- AASB139.72 · exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- AASB121.15 · exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Singapore dollars using exchange rates prevailing at the end of the reporting year. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

The foreign exchange rates used in the translation of foreign currencies are:

	2017		2016	
	Average for 12 months ended 30 June 2017	As at 30 June 2017	Average for 6 months ended 30 June 2016	As at 30 June 2016
Australian to Singapore dollars	1.050	1.060	1.018	1.004
Chinese Yuan to Singapore dollars	0.2043	0.2030	0.2098	0.2027

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Comparatives

During 2016, Invitrocue Pte Ltd changed its financial year end to 30 June to be congruent with that of the legal parent Invitrocue Ltd. The comparative information presented in these financial statements are for the 6 month period ended 30 June 2016.

(f) 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. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Rendering of services
Revenue from the rendering of services is recognised during the financial year in which the services are rendered and accepted by the customers.

Interest income
Revenue is recognised as the Interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(g) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the year in which they become receivable.

(h) Trade and other receivables

Trade receivables for the activities which generally have 30 to 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Non-current trade and other receivables are discounted to their present value based on market rates of interest.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An allowance for impairment is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or overdue debts are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost.

(j) Borrowing Costs

Borrowing costs are expensed as incurred (using effective interest rate method), except where they are directly attributable to the acquisition or construction of a qualifying asset, in which case they are capitalised as part of the asset. However, the Group does not have any qualifying assets in the reporting period.

(k) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(l) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of 3 months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(m) Financial Instruments

Recognition and initial measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through the statement of profit or loss and other comprehensive income, in which case transaction costs are expensed to the statement of profit or loss and other comprehensive income immediately.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial Instruments (continued)

Classification and subsequent measurement
Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of profit or loss and other comprehensive income.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(n) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(o) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the statement of comprehensive income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the statement of comprehensive income when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(q) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Taxation Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Issued capital

Ordinary shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of business are not included in the cost of the acquisition as part of the purchase consideration.

(s) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially as 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 period method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest related to the financial liability is recognised in the statement of profit or loss and other comprehensive income.

On conversion, the financial liability is reclassified to equity with any gain or loss recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at the end of the reporting date.

(u) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Parent Entity, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares and adjusted for any bonus element.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(v) Property, plant and equipment

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Property, plant and equipment (continued)

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Computers	3 years
Leasehold improvements	3 years
Office equipment	3 to 5 years
Tools and equipment	5 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(w) Intangible assets

Trademarks, licences and customer contracts

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Research and development

Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation methods and useful lives

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Licences	10 years

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets
The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period. Changes in the useful lives of property, plant and equipment and intangible assets can cause material adjustments to the carrying amount of the assets in the next financial year.

(y) Adoption of new and revised accounting standards

The Group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Group.

(z) New Accounting Standards and interpretations

AASB 9 Financial Instruments

This standard is applicable for annual reporting periods beginning on or after 1 January 2018.

AASB 9 issued in December 2009 introduced new requirements for the classification and measurement of financial assets. AASB 9 was subsequently amended in December 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in December 2013 to include the new requirements for general hedge accounting.

Another revised version of AASB 9 was issued in December 2014 mainly to include:
(a) Impairment requirements for financial assets
(b) Limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

All recognised financial assets that are within the scope of AASB 9 are required to be subsequently measured at amortised cost or fair value. Specifically:
– Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods
– Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New Accounting Standards and interpretations (continued)

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model, as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In the words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Group will adopt this standard from 1 July 2018 but the impact of its adoption has not yet been assessed by the Group.

AASB 15 Revenue from Contracts with Customers

This standard is applicable for annual reporting periods beginning on or after 1 January 2018.

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. AASB 15 will supersede the current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:
- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by AASB 15.

The Group will adopt this standard from 1 July 2018 but the impact of its adoption has not yet been assessed by the Group.

AASB 16 Leases

This standard is applicable for annual reporting periods beginning on or after 1 January 2019.
AASB 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. AASB 16 will supersede the current lease guidance including IAS 117 Leases and the related interpretations when it becomes effective.

AASB 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New Accounting Standards and interpretations (continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under AASB 117 are presented as operating cash flows; whereas under the AASB 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

The Group will adopt this standard from 1 July 2019. Whilst the directors are yet to assess the impact of AASB 16, it is noted that operating leases will be capitalised on the balance sheet by recognising a 'right-of-use' asset and a lease liability for the present value of the obligation and the rental expense will be replaced with depreciation of the right-of-use asset and interest on the lease liability.

(aa) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below applicable to the Company and consolidated entity were in issue but not yet effective. Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in the Group's financial report.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 : 'Revenue from Contracts with Customers', AASB 2014-15 'Amendments to Australian Accounting Standards arising from AASB 15' AASB 2015-8 'Amendments to Accounting Standards- Effective date of AASB 15'	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2014-4 'Amendments to Australian Accounting Standards-Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2017	30 June 2018

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Standards and Interpretations issued not yet effective (continued)

At the date of authorisation of the financial report, the following IASB Standards and IFRIC Interpretations (for which Australian equivalent Standards and Interpretations have not yet been issued) were in issue but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Clarifications to IFRS 15 'Revenue from Contracts with Customers'	1 January 2018	30 June 2019

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUBSEQUENT EVENTS

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group.

NOTE 3: OTHER INCOME

	2017 S$	2016 S$
Government grants	72,810	116,746
Interest income	4,022	12,811
Recovery of expenses	46,661	59,022
Write back of provisions	52,524	-
Other income	28,898	90,844
	204,915	279,423

Government grant represents grants received mainly for manpower subsidy. An amount of $10,316 (2016: $7,745) relate to amortisation of deferred capital grant.

Recovery of expenses relates to reimbursement by the Singapore government for approved expenses.

NOTE 4: ADMINISTRATIVE EXPENSES

	2017 S$	2016 S$
Included in administrative expenses are:		
GST expensed	7,237	183,827
Professional fees	427,779	296,776
Patent maintenance expenses	-	35,619
Research expenses	42,536	37,286
Travel and accommodation	346,194	93,509
Rental	172,660	92,980
Sales commission	55,946	3,490
Other	119,449	74,409
	1,171,801	817,896

NOTE 5: FINANCE COST

	2017 S$	2016 S$
Included in finance cost are:		
Deemed interest portion of fair value of convertible notes	-	329,297
Deemed interest on amount due to a director*	25,727	12,372
Interest on amount due to a director	787	-
Finance lease interest	-	409
Other	3,429	7,130
	29,943	349,208

*Refer note 15

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: INCOME TAX

The income tax expense for the year can be reconciled to the accounting loss as follows:

	2017 S$	2016 S$
Loss before tax	(1,835,472)	(20,473,566)
Tax benefit calculated at 17% (2016: 17%)	(312,030)	(3,480,506)
Effect of different tax rate of subsidiaries operating in other jurisdictions	(48,670)	(2,584,966)
Effect of expenses that are not deductible in determining taxable profit	-	5,719,271
Effect of tax losses not recognised	360,700	346,201
	-	-

The tax rate of 17% is the rate in the jurisdictions in which the accounting parent operates.

The Group has tax losses carried forward amounting to $4,719,874 (2016: $2,884,402) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

NOTE 7: EARNINGS PER SHARE

	2017 S$	2016 S$
(a) Reconciliation of Earnings to Net Loss		
Net loss	(1,835,472)	(20,473,566)
Earnings used in the calculation of basic EPS	(1,835,472)	(20,473,566)
Earnings used in the calculation of dilutive EPS	(1,835,472)	(20,473,566)
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculation of earnings per share and diluted earnings per share.	444,112,515	300,847,797
(b) The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share:		
Weighted average number of warrants and options	11,005,637	5,063,014

NOTE 8: TRADE AND OTHER RECEIVABLES

	2017 S$	2016 S$
CURRENT		
Trade receivables	125,613	27,985
Other receivables	32,477	90,573
Unbilled receivables*	133,453	14,163
Deposits	21,306	17,106
Prepayments	31,660	6,671
	344,509	156,498

*Unbilled receivables represents amount for work done but not yet invoiced.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: TRADE AND OTHER RECEIVABLES (continued)

The ageing of trade receivables at the reporting date is as follows:

	2017 S$	2016 S$
Not past due	71,518	26,647
Past due < 3 months	37,450	1,338
Past due 3 – 6 months	-	-
Past due 6 – 12 months	16,645	-
	125,613	27,985

The average credit period on sale of goods is 30 days (2016: 30 days). The trade receivables are interest-free and unsecured. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

As at balance date, all of the Group's trade and other receivables that are neither past due nor impaired relate to customers that the Group has assessed to be creditworthy. Accordingly, management believes that there is no credit provision required in excess of the allowance for doubtful debts.

Included in the Group's trade receivable balance are debtors with a carrying amount of $54,095 (2016: $1,338) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

The Group's other receivables are interest-free and repayable on demand and the average age of these receivables is less than 30 days. The Group has not recognised any allowance as the directors are of the view that these receivables are recoverable.

NOTE 9: INTANGIBLE ASSETS

	License S$	Development Cost S$	Total S$
Cost			
At 31 December 2015	54,164	-	54,164
Additions	-	-	-
At 30 June 2016	54,164	-	54,164
Additions	10,000	102,695	112,695
At 30 June 2017	64,164	102,695	166,859
Accumulated depreciation			
At 31 December 2015	16,102	-	16,102
Amortisation	4,062	-	4,062
At 30 June 2016	20,164	-	20,164
Amortisation	4,865	-	4,865
At 30 June 2017	25,029	-	25,029
Carrying amount			
At 30 June 2017	39,135	102,695	141,830
At 30 June 2016	34,000	-	34,000

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: PLANT AND EQUIPMENT

	Computers S$	Leasehold Improvements S$	Office equipment S$	Tools and equipment S$	TOTAL S$
Cost					
At 31 December 2015	12,113	212,616	32,873	60,681	318,283
Additions	4,247	-	418	1,216	5,881
At 30 June 2016	16,360	212,616	33,291	61,897	324,164
Additions	3,580	-	1,818	783	6,181
At 30 June 2017	19,940	212,616	35,109	62,680	330,345
Accumulated depreciation					
At 31 December 2015	5,730	29,980	3,391	3,034	42,135
Depreciation	2,421	35,300	4,843	6,068	48,632
At 30 June 2016	8,151	65,280	8,234	9,102	90,767
Depreciation	4,094	70,601	10,088	12,467	97,250
At 30 June 2017	12,245	135,881	18,322	21,569	188,017
Carrying amount					
At 30 June 2017	7,695	76,735	16,787	41,111	142,328
At 30 June 2016	8,209	147,336	25,057	52,795	233,397

The Group recorded a provision of $44,918 (2016: $44,918) as a reinstatement cost for its office premises in Singapore in accordance with the requirements of AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*. The amount has been capitalised to leasehold improvements and is being amortised over the period of the lease.

NOTE 11: TRADE AND OTHER PAYABLES

	2017 S$	2016 S$
CURRENT		
Trade payables	174,895	120,219
Other payables	27,932	17,319
Accruals	141,273	116,035
Wages and claims	65,682	22,626
	409,782	276,199

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12: FINANCE LEASES

	2017 S$	2016 S$
Minimum lease payment		
Within 1 year	1,700	10,914
2 to 5 years	-	1,819
	1,700	12,733
Less: future finance charges	(127)	(955)
Present value of minimum lease payments	1,573	11,778
Repayable as follows:		
Current liabilities – within 1 year	1,573	10,095
Non-current liabilities – 2 to 5 years	-	1,683
	1,573	11,778

The finance lease relates to office equipment and the term is for a period of 2 years. The effective interest rate for the financial year range is 8.1% (2016: 8.1%) per annum. The carrying amounts of the Group's finance lease payables at 30 June 2017 approximate their fair value.

NOTE 13: DEFERRED CAPITAL GRANT

	2017 S$	2016 S$
Balance at the beginning of the year	43,842	-
Grant received	42,734	43,842
Amount recognised as income during the year	(10,316)	-
Balance at end of the year	76,260	43,842
Recognisable as income		
Within 1 year – current liabilities	53,049	10,316
Within 2 to 5 years – non-current liabilities	23,211	33,526
	76,260	43,842

Deferred capital grant received in 2017 relates to advance grant received from a government agency for manpower subsidy and purchase of plant and equipment.

Deferred capital grant received in 2016 pertained to grant received from a government agency for the purchase of plant and equipment. The grant is transferred to the profit or loss over the useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14: PROVISIONS

	2017 S$	2016 S$
Current		
Fines*	-	50,175
Fair value of unconverted convertible notes~	169,648	160,560
	169,648	210,735
Non-current		
Reinstatement costs^	44,918	44,918
	44,918	44,918

*The Group recorded a provision of S$Nil (2016: S$50,175) in relation to the late lodgement of annual reports and holding of annual general meetings for the years from 2011 to 2014. As no notice has been received for the past 2 years, the directors opined that these provisions are no longer needed.

~The Group recorded a provision of A$160,000 (equivalent to S$169,648 (2016: S$160,560)) in relation to the old convertible loans of Invitrocue Limited (accounting subsidiary) that were not converted into shares at the time of recapitalisation in May 2015 during which time Invitrocue Limited was trading as Bunuru Corporation Limited.

^The Group recorded a provision of S$44,918 (2016: $44,918) as a reinstatement cost for its office premises in Singapore in accordance with the requirements of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

NOTE 15: AMOUNT DUE TO A DIRECTOR

The amount due to a director is classified as a non-current liability in accordance with a supplementary loan agreement and its addendums. The loan is unsecured, repayable only from 26 August 2020 onward and bears interest of 5.35% starting from 15 June 2017. Prior to 15 June 2017, the loan was interest free. The fair value gain occurring as a result of the interest free loans from the director shareholder was accounted for as a contribution by a shareholder. A deemed interest expense of S$25,727 (2016: S$12,372) was recorded in accordance with *AASB 139: Financial instruments: Recognition and Measurement*.

NOTE 16: SHARE CAPITAL

	2017 S$	2016 S$
Issued and fully paid ordinary shares	22,927,455	22,241,656

Movements in ordinary shares	Number of shares	S$
At 1 January 2016	13,786	960,665
Reverse acquisition adjustments:		
- Shares issued by accounting subsidiary (Invitrocue Ltd) on re-quotation	31,478,000	3,158,817
- Convertible notes issued by accounting subsidiary (Invitrocue Ltd) converted to shares*	5,000,000	516,914
- Deemed shares issued by accounting parent (Invitrocue Pte Ltd) to acquire accounting subsidiary (Invitrocue Ltd)	179,669,416	18,029,936
- Share issue costs	-	(424,676)
- Shares issued to shareholders of accounting subsidiary (Invitrocue Limited) to acquire the accounting parent (Invitrocue Pte Ltd)	227,927,851	-
At 30 June 2016	444,089,053	22,241,656
Share placements during the year – ordinary shares	8,563,583	685,799
At 30 June 2017	452,652,636	22,927,455

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

* Invitrocue Limited (accounting subsidiary) issued 5,000,000 convertible notes for A$500,000 on 25 September 2015. Each note will be converted into 1 ordinary share and 2 warrants (refer Note 14) of Invitrocue Limited at re-quotation of Invitrocue Limited's shares on the ASX. The convertible notes were converted into shares on 14 January 2016 with a fair value of S$516,914.

Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

NOTE 17: OPTIONS AND WARRANT RESERVES

	2017 S$	2016 S$
Fair value of options and warrants issued	372,037	359,253

	Number	Fair value recorded S$
Balance at 1 January 2016	-	-
- Fair value of one million options issued to Fiscus Capital, lead manager for the prospectus fund raising of 2016*	1,000,000	38,133
- Fair value of ten million options issued on conversion of convertible notes^	10,000,000	321,120
Balance at 30 June 2016	11,000,000	359,253
Placement~	2,057,563	12,784
Balance at 30 June 2017	13,057,563	372,037

* Option exercisable at A$0.10 per option expiring on 14 January 2019.

^ Warrants exercisable at A$0.10 per warrant expiring on 14 June 2018.

~ Warrants exercisable at A$0.08 per warrant expiring on 30 June 2018.

NOTE 18: CONTRIBUTIONS RESERVE

The reserve represents the fair value adjustment on the interest-free loan provided by a shareholder which is considered to be an equity contribution under the accounting standards.

NOTE 19: RECONCILIATION OF CASH FLOWS USED IN OPERATIONS WITH LOSS AFTER INCOME TAX

	2017 S$	2016 S$
Loss after income tax	(1,835,472)	(20,473,566)
Add: Non-cash expenses / (income)		
- Depreciation and amortisation	102,115	52,696
- Deemed interest	25,727	341,669
- Write back of provision	(52,524)	-
Add: Non-operating expenses		
- Interest	-	7,130
- Professional fees	-	75,020
- Listing expenses	-	19,393,535
Cash flow from operations before changes in working capital	(1,760,154)	(603,516)
Changes in trade and other receivables	(188,011)	384,595
Changes in inventory	(20,701)	(85,380)
Changes in trade and other payables	127,157	(2,624,913)
Net cash used in operating activities	(1,841,709)	(2,929,214)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 20: SEGMENT INFORMATION

The directors have considered the requirements of *AASB 8: Operating Segments* and the internal reports that are received by the Board in allocating resources and have concluded at this time that there are no separately identifiable segments.

Information about major customer
Included in revenues are sales to the following customers which amount to 10% or more of the Group's revenue:

	2017 S$	2016 S$
Customer A	313,207	-
Customer B	122,757	-
Customer C	108,000	-
	543,964	-

In 2016, no other single customer contributed 10% or more to the Group's revenue.

NOTE 21: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and finance leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2017 S$	2016 S$
Financial assets		
Cash and cash equivalents	601,797	1,772,539
Trade and other receivables	344,509	156,498
Total financial assets	946,306	1,929,037
Financial liabilities		
Trade and other payables	409,782	276,199
Finance leases	1,573	12,733
Amount due to a director	548,516	470,012
Total financial liabilities	959,871	758,944

Financial Risk Management Policies
The Board of Directors monitors the Group's financial risk management policies and exposures and approves financial transactions. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

Specific Financial Risk Exposures and Management
The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk).

Credit risk
There are no significant concentrations of credit risk within the Group.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk
Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Refer to note 1 for more details of the going concern position of the Group.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2017	Weighted average interest rate %	1 year or less S$	Between 1 and 2 years S$	Between 2 and 5 years S$	Over 5 years S$	Remaining contractual maturities S$
Trade payables and other payables	-	409,782	-	-	-	409,782
Finance leases	8.1%	1,573	-	-	-	1,573
Amount due to a director	5.35%	-	-	548,516	-	548,516
Total		411,355	-	548,516	-	959,871

2016	Weighted average interest rate %	1 year or less S$	Between 1 and 2 years S$	Between 2 and 5 years S$	Over 5 years S$	Remaining contractual maturities S$
Trade payables and other payables	-	276,199	-	-	-	276,199
Finance leases	8.1%	10,914	1,819	-	-	12,733
Amount due to a director	5.35%	-	470,012	-	-	470,012
Total		287,113	471,831	-	-	758,944

Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The financial instruments that primarily expose the Group to interest rate risk is cash and cash equivalents. The Group is not aware of any significant risk relating to interest rates.

Foreign exchange risk
Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the functional currency of the individual companies within the Group. The Group is not aware of any such risk.

Other price risk
Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or currency risk) for commodities. The Group is not aware of any such risk.

Fair values
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

2017	Level 1 S$	Level 2 S$	Level 3 S$	Total S$
Amount due to a director	-	-	548,516	548,516
Total	-	-	548,516	548,516

2016	Level 1 S$	Level 2 S$	Level 3 S$	Total S$
Amount due to a director	-	-	470,012	470,012
Total	-	-	470,012	470,012

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Sensitivity analysis
The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit S$	Equity S$
Year to 30 June 2017		
+/- 100 basis points in interest rates	-/+5,485	-/+5,485
+/- 1% change in foreign exchange rates	-	-/+3,102
Year to 30 June 2016		
+/- 100 basis points in interest rates	-/+17,725	-/+17,725
+/- 1% change in foreign exchange rates	-	-/+8,694

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

The foreign exchange rate sensitivity analysis has been performed for the conversion of the accounting subsidiary's balances into the presentation currently. Accordingly, the conversion does not have any impact on the profit or loss of the Group as the results of the conversion is taken to foreign currency translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 22: INTEREST OF KEY MANAGEMENT PERSONNEL (KMP)

The totals of remuneration paid to KMP of the Group during the year are as follows:

	2017 S$	2016 S$
Short-term employee benefits	244,544	96,404
Post-employment benefits	29,730	11,174
	274,274	107,578

Detailed information regarding Key Management Personnel remuneration and equity holdings are outlined in the Remuneration Report included in the Director's Report.

NOTE 23: RELATED PARTY DISCLOSURES

	2017 S$	2016 S$
Balances		
Amount due to a director (Note 15)	548,516	470,012
	548,516	470,012

	S$	S$
Transactions		
Director remuneration	274,274	109,514
Services rendered by director or director related companies		
- Services rendered for re-listing the Company	-	76,350
- Accounting and Company secretarial services	37,818	18,324
	312,091	204,188

NOTE 24: AUDITORS REMUNERATION

	2017 S$	2016 S$
Audit and review of financial statements	47,535	62,670
	47,535	62,670

The auditor for Invitrocue Limited is Deloitte Touche Tohmatsu.

NOTE 25: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company's annual reports for 2011 to 2014 were lodged late while the annual general meeting for 2007 to 2014 was held late. As ASIC has not issued a fine for the above mentioned late lodgement of annual reports and late holding of annual general meeting, no provision has been provided for the current financial year. The Group had provided for S$50,175 fine in the previous year's statement of financial position, but has now been reversed.

The Group is not aware of any other Contingent Assets or Liabilities that should be disclosed in accordance with AASB 137.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 25: CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

Warranty provided by previous directors
The Former Directors (David Sutton, Louis Schurmann and William Urquhart) entered into a Deed of Warranty and Indemnity (the Deed) in favour of EHG Corporation Limited (now Invitrocue Limited) in February 2016 which has the following legal effect:

- The Former Directors warrant that the only creditors of the Company are as set out in Schedule 1 of the Deed;
- The Former Directors jointly and severally indemnify the Company for any loss that it might suffer as a result of the warranty being incorrect;
- Where the Company becomes liable to pay any amount which was not disclosed in Schedule 1 of the Deed, the Former Directors are obliged to pay that amount to the person to whom the moneys are owed or to the Company.

NOTE 26: COMMITMENTS

Operating lease commitments
At the end of the reporting period, commitments in respect of operating leases for the rental of office and residential premises and equipment are as follows

	2017 S$	2016 S$
Minimum lease payment		
Within 1 year	207,776	183,931
Within 2 to 5 years	7,568	189,199
	215,344	373,130

NOTE 27: SUBSIDIARIES

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group unless otherwise stated. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of subsidiary	Principal place of business	Ownership interest held	
		2017	2016
Invitrocue Pte Ltd	Singapore	100%	100%
Subsidiary of Invitrocue Pte Ltd			
- Invitrocue Biomedical Experimental Service Suzhou	People's Republic of China	100%	100%

NOTE 28: REVERSE ACQUISITION OF INVITROCUE LIMITED

On 6 November 2015, Invitrocue Limited issued a Prospectus for the offer of up to 35 million shares at a price of $0.10 per Share to raise up to $3,500,000. Included in the prospectus was a proposal for Invitrocue Limited to acquire all the shares of Invitrocue Pte Limited subject to certain conditions. On 14 January 2016, Invitrocue Limited acquired all the shares of Invitrocue Pte Limited by means of a scrip offer of 227,941,637 shares as consideration. Although Invitrocue Limited is the legal acquirer of Invitrocue Pte Limited, Invitrocue Limited is deemed not to meet the definition of a business under *AASB 3: Business Combinations*. Consequently, AASB 3 does not apply to this transaction. However, an acquirer still needs to be identified. Based on the facts and circumstances, the acquirer is considered to be Invitrocue Pte Limited and the transaction is treated as a reverse takeover as Invitrocue Pte Limited has used Invitrocue Limited to obtain an ASX listing. Invitrocue Pte Limited therefore becomes the Accounting acquirer and parent and Invitrocue Limited is the Accounting acquiree and subsidiary. The value of the shares in the Invitrocue Limited consolidated Group in excess of the fair value of the net assets of Invitrocue Limited immediately prior to the transaction is considered to be a share based payment and has been accounted for in accordance with *AASB 2: Share Based Payments*.

The assets and liabilities of Invitrocue Limited recognised at the date of reverse acquisition are as follows:

	2017 Fair value S$	2016 Fair value S$
Cash and cash equivalents	-	1,993,264
Trade and other receivables	-	163,171
Trade and other payables	-	(2,195,430)
Provisions	-	(210,735)
Net identifiable liabilities acquired	-	(249,730)
Deemed consideration of reverse acquisition	-	19,313,968
Listing expense	-	19,064,238

Net cash inflow arising from the reverse acquisition

	S$	S$
Cash acquired	-	1,993,264
Net cash inflow	-	1,993,264

NOTES TO THE FINANCIAL STATEMENTS

NOTE 29: LEGAL PARENT ENTITY INFORMATION

Statement of profit or loss and other comprehensive income	Year ended 30 June 2017 A$	Year ended 30 June 2016 A$
Revenue	-	-
Other income	79,150	13,425
Expenses	(357,020)	(1,367,036)
Loss before income tax	(277,870)	(1,353,611)
Income tax expense	-	-
Loss for the year	(277,870)	(1,353,611)
Other comprehensive income:	-	-
Total comprehensive loss for the year	(277,870)	(1,353,611)

Statement of financial position	As at 30 June 2017 A$	As at 30 June 2016 A$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	124,384	1,495,354
Trade and other receivables	21,747	28,744
TOTAL CURRENT ASSETS	146,131	1,524,098
NON CURRENT ASSETS		
Investment in subsidiaries	25,294,164	23,594,164
TOTAL NON CURRENT ASSETS	25,294,164	23,594,164
TOTAL ASSETS	25,440,295	25,118,262
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	47,431	56,382
Provisions	160,000	210,000
TOTAL CURRENT LIABILITIES	207,431	266,382
TOTAL LIABILITIES	207,431	266,382
NET ASSETS	25,232,864	24,851,880
EQUITY		
Issued capital	123,563,827	122,917,030
Options and warrants reserves	400,057	388,000
Fair value reserves	39,919	39,919
Accumulated losses	(98,770,939)	(98,493,069)
TOTAL EQUITY	25,232,864	24,851,880

NOTES TO THE FINANCIAL STATEMENTS

NOTE 29: LEGAL PARENT ENTITY INFORMATION (continued)

The statement of profit or loss and other comprehensive income and statement of financial position of the Company have been presented in Australia Dollar (A$).

No guarantee was provided by Invitrocue Limited in relation to debts of its legal subsidiary at reporting date.

Invitrocue Limited has no contingent liabilities or contingent assets at reporting date other than disclosed in Note 25 above.

Invitrocue Limited has no commitments at reporting date.

Registered office
The registered office of Invitrocue Limited is Level 2, 350 Kent Street, Sydney NSW 2000.

Principal place of business
The Group's principal place of business is at 11 Biopolis Way, #12-07/08 Helios, Singapore 138667.

DIRECTORS DECLARATION

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

Steven Fang Boon Sing
Director
29 September 2017

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of Invitrocue Limited

Opinion

We have audited the financial report of Invitrocue Limited (the "Entity"), and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2017, 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 financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of S$1,834,726 and had net cash outflows from operating activities of S$1,841,709 during the year ended 30 June 2017. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern. Our opinion is not modified in respect of this matter.

Our procedures in relation to going concern included, but were not limited to:

- inquiring of management and the directors as to knowledge of events and conditions that may impact the assessment on the Group's ability to continue as a going concern;
- challenging the assumptions contained in management's forecast in relation to the Group's ability to continue as a going concern; and
- assessing the adequacy of the disclosures related to going concern in Note 1.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Recognition of internally generated Intangible Assets As at 30 June 2017 the Group has recognised development costs of S$102,695 as an intangible asset as disclosed in Note 9. The development costs are in relation to development of 3D colorectal tumor models titled "3D Patient Derived tumor organoids of colorectal cancer for personalized medicine" as per the Research Collaboration Agreement ("RCA"). Significant judgement is required by management in assessing the recognition of the internally generated intangible asset including: · The assessment of expenditure relating to development activity and not research activity; · The expected future economic benefits attributable to the intangible assets that will flow to the Group; and · The useful lives assigned to each individual category.	Our procedures included, but were not limited to: · Assessing the classification of expenditure recognised as development costs in accordance with the applicable accounting standards including challenging management's assessment of capitalisation of salaries and wages costs; · Reviewing the RCA which specifies the terms and conditions for the completion of the intangible asset and its availability for future use; · Testing on a sample basis the costs that have been capitalised as intangible assets; and · Reviewing the application of the accounting policy adopted by the Group in relation to amortisation of individual categories of intangible assets. We also assessed the appropriateness of the disclosures included in Note 9 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

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

Deloitte.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, 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 the directors.

- Conclude on the appropriateness of the directors' 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 report 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 report, including the disclosures, and whether the financial report represents 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 financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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.

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 13 of the Director's Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Invitrocue Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of Invitrocue Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carlo Pasqualini
Partner
Chartered Accountants
Sydney, 29 September 2017

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES – UNAUDITED

The following additional information is required by the ASX Limited in respect of listed public companies only. Shareholders information set out below was applicable at 21 September 2017.

1. Shareholdings

a. Distribution of Shareholders

Category	Number of equity security holders of Ordinary shares
1 - 1,000	3,240
1,001 - 10,000	40
10,001 - 100,000	244
100,001 and over	49

b. The number of shareholdings held in less than marketable parcel is 3,252.

c. The names of the substantial shareholders listed in the holding Company's register are:

Shareholder	Number Ordinary shares
FANG BOON SING	115,739,987
FAITH CHAMP ENTPS LTD	82,500,000
YU HANRY	49,602,852
CLEARBRIDGE ACCELERATOR PTE LTD	38,045,387

d. Voting rights

Ordinary shares
Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders – Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	FANG BOON SING	115,739,987	25.57%
2	FAITH CHAMP ENTPS LTD	82,500,000	18.23%
3	YU HANRY	49,602,852	10.96%
4	CLEARBRIDGE VENTURES PTE LTD	38,045,387	8.40%
5	NG MAN CHI	20,625,000	4.56%
6	CHAN KOC TIE	20,625,000	4.56%
7	CHAN YAT KEI	20,625,000	4.56%
8	CHEN YOU QUEN	20,625,000	4.56%
9	EXPLOIT TECHNOLOGIES PTE LTD	10,978,764	2.43%
10	CHOON AW TAR	10,569,108	2.33%
11	HSBC CUSTODY NOM AUST LIM	10,000,000	2.21%
12	CITICORP NOM PL	7,888,415	1.74%
13	BNP PARIBAS NOMS PL	4,970,001	1.10%
14	EQUINEX INV LTD	3,794,558	0.84%
15	SINBAD PL	3,794,558	0.84%
16	FRYER LUKE	3,230,250	0.71%
17	HSBC CUSTODY NOM	2,800,323	0.62%
18	FUNG FRANKIE KIN SHING	2,500,000	0.55%
19	YANG LIM CHEN	2,300,000	0.51%
20	BNP PARIBAS NOMS PL	2,000,000	0.44%
		433,214,203	95.72%

2. Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Limited (ASX).

3. Difference in results reported to Australian Securities Exchange

The results reported to the ASX in the preliminary final report do not differ significantly from those reported in the annual report.