

**INCREDIBLE HOLDINGS LTD.**  
**Company Registration Number: 199906220H**

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
YEAR ENDED 31 DECEMBER 2019 ("FY2019")**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),  
HALF-YEAR AND FULL YEAR RESULTS**

**1(a)(i) A statement of comprehensive income for the group together with a comparative  
statement for the corresponding period of the immediately preceding financial year**

Note	Group Year Ended 31 December		Increase/ (Decrease)
	2019 S\$'000	2018 S\$'000	%
<b>Continuing operations</b>			
Revenue	8,785	11,055	(20.53)
Cost of Sales	(8,239)	(10,462)	(21.25)
<b>Gross profit</b>	<b>546</b>	<b>593</b>	<b>(7.93)</b>
Other operating income	6	458	(98.69)
Selling & distribution expenses	(226)	(254)	(11.02)
Administrative expenses	(2,325)	(2,323)	0.09
Other operating expenses	(106)	(259)	(59.07)
Share of loss of associate	(155)	(1)	15,400
<b>(Loss) from operations</b>	<b>(2,260)</b>	<b>(1,786)</b>	<b>26.54</b>
Finance expenses	(1)	(1)	-
<b>(Loss) before income tax</b>	<b>(2,261)</b>	<b>(1,787)</b>	<b>26.52</b>
Income tax expenses	-	-	NM
<b>(Loss) for the period from continuing operations</b>	<b>(2,261)</b>	<b>(1,787)</b>	<b>26.52</b>
<b>Discontinued operations</b>			
(Loss) for the year from discontinued operations	(20)	(147)	(86.39)
<b>Total (loss) for the year</b>	<b>(2,281)</b>	<b>(1,934)</b>	<b>17.94</b>
Gross profit margin	6.22%	5.36%	

**Consolidated Statement of Comprehensive Income:**

	Group Year Ended 31 December		Increase/ (Decrease)
	2019 S\$'000	2018 S\$'000	%
<b>(Loss) for the year</b>	<b>(2,281)</b>	<b>(1,934)</b>	<b>17.94</b>
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to profit or loss:			
- Foreign currency translation (loss)	(4)	(100)	(96)
<b>Total comprehensive (loss) for the year</b>	<b>(2,285)</b>	<b>(2,034)</b>	<b>12.34</b>

NM: Not Meaningful

1. (a) (ii) Notes to income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

**Profit for the year is arrived at after (Charging)/Crediting following items:**

	<b>Group</b>	
	<b>Year Ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Foreign exchange (loss)/gain, net	(106)	401
Depreciation of plant and equipment	(23)	(16)
Interest expense	(1)	(1)
Interest income	-	-
Loss on disposal of investment	-	(253)
Allowance for impairment of other receivables	-	(7)

**1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

<b>Statement of Financial Position</b>	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Dec 2019</b>	<b>As at 31 Dec 2018</b>	<b>As at 31 Dec 2019</b>	<b>As at 31 Dec 2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	16	66	-	-
Investment in subsidiaries	-	-	1,303	1,303
Investment in associate	1,126	1,281	1,282	1,282
Intangible assets	-	-	-	-
<b>Total non-current assets</b>	<b>1,142</b>	<b>1,347</b>	<b>2,585</b>	<b>2,585</b>
<b>Current assets</b>				
Inventories	776	2,350	-	-
Trade receivables	696	925	-	-
Other receivables, deposits and prepayments	123	27	105	8
Due from subsidiaries (non-trade)	-	-	-	3
Due from associate	1,712	1,712	1,712	1,712
Fixed deposits	-	-	-	-
Cash and bank balances	582	903	13	3
Assets directly associated with disposal group classified as held for sale	50	-	-	-
<b>Total current assets</b>	<b>3,939</b>	<b>5,917</b>	<b>1,830</b>	<b>1,726</b>
<b>Current liabilities</b>				
Trade payables	(81)	(109)	-	-
Other payables and accruals	(884)	(892)	(664)	(366)
Due to subsidiaries (non-trade)	-	-	(389)	(278)
Lease obligations	(2)	(1)	-	-
Loan from director	-	-	-	-
Income tax payable	-	(57)	-	-
Liabilities directly associated with disposal group classified as held for sale	(110)	-	-	-
<b>Total current liabilities</b>	<b>(1,077)</b>	<b>(1,059)</b>	<b>(1,053)</b>	<b>(644)</b>
<b>Net current assets</b>	<b>2,862</b>	<b>4,858</b>	<b>777</b>	<b>1,082</b>
<b>Non-current liabilities</b>				
Lease obligations	(4)	(5)	-	-
<b>Total non-current liabilities</b>	<b>(4)</b>	<b>(5)</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>4,001</b>	<b>6,200</b>	<b>3,362</b>	<b>3,667</b>
Share capital	38,852	38,852	38,852	38,852
Translation reserve	(714)	(1,657)	-	-
Accumulated losses	(33,276)	(30,995)	(35,490)	(35,185)
Reserve attributable to disposal group classified as held for sale	(861)	-	-	-
<b>Total equity</b>	<b>4,001</b>	<b>6,200</b>	<b>3,362</b>	<b>3,667</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

	<b>Group Borrowings</b>			
	As at 31 December 2019		As at 31 December 2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	-	-	-	-
Financial lease less than one year	2	-	1	-
Financial lease more than one year	4	-	5	-
Amount repayable after one year	-	-	-	-
<b>Total</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>-</b>

**Details of any collateral**

The lease relate to printer of the Group acquired under financial lease. Lease terms do not contain restrictions concerning dividends, additional debt or further leasing.

Save for the above, the Group do not have any secured or unsecured loan as at 31 December 2019.

**1(c) A cash flow statement for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b>	
	<b>Year Ended 31 December 2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Cash flows from operating activities:</u></b>		
Loss before income tax from continuing operations	(2,261)	(1,787)
Loss before income tax from discontinuing operations	(20)	(147)
	<u>(2,281)</u>	<u>(1,934)</u>
Adjustment for:		
Depreciation of property, plant and equipment	23	31
Loss on disposal of investment in a subsidiary	-	252
Write back of allowance for inventory obsolescence	-	(1)
Allowance for impairment of membership rights	-	24
Write off of other receivables	-	7
Unrealised exchange loss/(gain)	106	(481)
Share of loss of associate	155	1
Interest expense	1	1
Interest income	-	(96)
<b>Operating cash flow before working capital changes</b>	<b>(1,996)</b>	<b>(2,195)</b>
<b>Changes in working capital:</b>		
- Inventories	1,573	(2,037)
- Trade and other receivables	134	990
- Trade and other payables	(119)	(347)
<b>Cash (used in) operating activities</b>	<b>(408)</b>	<b>(3,589)</b>
Interest paid	(1)	(1)
Income tax refund	-	-
<b>Net cash (used in) operating activities</b>	<b>(409)</b>	<b>(3,590)</b>
<b><u>Cash flows from investing activities:</u></b>		
Purchase of plant and equipment	(16)	-
Investment in associate	-	(1)
Net cash outflow from disposal of subsidiary	-	(1,150)
Advances to associate	-	(1,712)

Decrease of pledged fixed deposits	-	1,296
Interest received	-	196
<b>Net cash (used in investing activities)</b>	<b>(16)</b>	<b>(1,371)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of ordinary shares from rights cum warrants issue, net of share issue expenses	-	5,137
Advances/(Repayment to) from a director of the Company	141	(327)
(Decrease) in lease obligations	(2)	(1)
<b>Net cash generated from financing activities</b>	<b>139</b>	<b>4,809</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(286)</b>	<b>(152)</b>
Cash and cash equivalent at beginning of the year	903	1,026
Effect of changes in foreign exchange rates on cash and cash equivalents	(28)	29
<b>Cash and cash equivalent at end of the year</b>	<b>589</b>	<b>903</b>

**Cash and cash equivalents included in the consolidated cash flow statement comprise the following consolidated balance sheet amounts:-**

	<b>Group</b>	
	<b>As at 31 December 2019</b>	<b>As at 31 December 2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Fixed deposits	-	-
Cash and bank balances	589	903
Bank overdrafts	-	-
	<b>589</b>	<b>903</b>
Less:		
Fixed deposits (more than 3 months)	-	-
Pledged fixed deposits	-	-
<b>Total</b>	<b>589</b>	<b>903</b>

**1(d)(i) A statement (for the issuer and group) showing either**

**(i) All changes in equity or**

**(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**The Group**

	Share Capital	Translation Reserves	Reserve attributable to disposal group classified as held for sale	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 January 2018</b>	<b>33,715</b>	<b>(1,557)</b>	<b>-</b>	<b>(29,061)</b>	<b>3,096</b>
(Loss) for the year	-	-	-	(1,934)	(1,934)
Other comprehensive (loss)	-	-	-	(1,934)	(1,934)
- Exchange differences on translation of foreign subsidiaries	-	(100)	-	-	(100)
Total comprehensive (loss) for the period	-	(100)	-	(1,934)	(2,034)
Issuance of ordinary shares from rights cum warrants issue, net of share issue expenses	5,137	-	-	-	5,137
<b>Balance as at 31 December 2018</b>	<b>38,852</b>	<b>(1,657)</b>	<b>-</b>	<b>(30,995)</b>	<b>6,200</b>
<b>Balance as at 1 January 2019</b>	<b>38,852</b>	<b>(1,657)</b>	<b>-</b>	<b>(30,995)</b>	<b>6,200</b>
(Loss) for the year	-	-	-	(2,194)	(2,194)
Other comprehensive (loss)	-	-	-	-	-
- Exchange differences on translation of foreign subsidiaries	-	(5)	-	-	(5)
Total comprehensive (loss) for the year	-	(5)	-	(2,194)	(2,199)
Reserve attributable to disposal group classified as held for sale	-	861	(861)	-	-
<b>Balance as at 31 December 2019</b>	<b>38,852</b>	<b>(801)</b>	<b>(861)</b>	<b>(33,189)</b>	<b>4,001</b>

**The Company**

	<b>Share Capital</b>	<b>Accumulated</b>	<b>Total Equity</b>
	<b>S\$'000</b>	<b>Losses</b>	<b>S\$'000</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 January 2018</b>	<b>33,715</b>	<b>(31,264)</b>	<b>2,451</b>
Total comprehensive loss for the period	-	(3,921)	(3,921)
Issuance of new ordinary shares	5,137	-	5,137
<b>Balance as at 31 December 2018</b>	<b>38,852</b>	<b>(35,185)</b>	<b>3,667</b>
<b>Balance as at 1 January 2019</b>	<b>38,852</b>	<b>(35,185)</b>	<b>3,667</b>
Total comprehensive loss for the period	-	(305)	(305)
<b>Balance as at 31 December 2019</b>	<b>38,852</b>	<b>(35,490)</b>	<b>3,362</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous financial year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held at treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**Rights Issue cum Warrants**

On 15 April 2019, the Company has announced proposed consolidation of every four (4) existing ordinary shares in the capital of the Company held by shareholders as at the share consolidation books closure date into one (1) ordinary share in the capital of the Company ("Consolidated Share"), fractional entitlements to be disregarded (the "Proposed Share Consolidation") and a renounceable non-underwritten rights cum warrants issue of up to 3,473,905,650 new ordinary shares in the capital of the Company ("Rights Shares") at an issue price of S\$0.0056 for each Rights Share (the "Issue Price"), with up to 3,473,905,650 free detachable warrants ("2019 Warrants"), each 2019 Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("New Share") at an exercise price of S\$0.012 for each New Share (the "Exercise Price"), on the basis of ten (10) Rights Shares for every one (1) Consolidated Share held by Shareholders as at a time and date to be determined by the Directors for the purpose of determining the Shareholders' entitlements under the Rights cum Warrants Issue (the "Rights Books Closure Date"), with one (1) 2019 Warrant for every one (1) Rights Shares subscribed by the Shareholder, fractional entitlements to be disregarded (the "Rights cum Warrants Issue")

Following the completion of Share Consolidation on 2 December 2019, the number of issued and paid up shares in the capital of the Company has consolidated from 1,199,375,920 ordinary shares to 299,843,943 ordinary shares.

The Company's issued share capital as at 31 December 2019 was S\$38,852,217 comprising 299,843,943 ordinary shares.

Details movement of the Company's shares capital and number of issued shares as at 31 December 2018 to 31 December 2019:-

	Share Capital of the Company (S\$)	Number of Issued Ordinary Shares
Balance as at 1 January 2019	38,852,217	1,199,375,920
Balance as at 2 December 2019 after completion of share consolidation	-	299,843,943
Balance as at December 2019	38,852,217	299,843,943

**Details movement of the Company's ordinary shares and number of outstanding convertibles or shares that may be issued for current and corresponding period:-**

	Issued ordinary shares	Warrants
Balance as at 1 January 2019	1,199,375,920	543,172,816



- Balance as at 2 December 2019 after completion of share consolidation	299,843,943	135,793,193
Balance as at 31 December 2019	<u>299,843,943</u>	<u>135,793,193</u>
Balance as at 1 January 2018	113,030,287	-
- Issuance and allotment of Rights Shares and Warrants on 12 March 2018	1,086,345,633	543,172,816
Balance as at 31 December 2018	<u>1,199,375,920</u>	<u>543,172,816</u>

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.**

The total number of issued ordinary shares as at 31 December 2019 was 299,843,943 and 31 December 2018 was 1,199,375,920. The Company had no treasury shares, subsidiary holdings or other convertibles as at 31 December 2019 and as at 31 December 2018.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial year reported on.**

Not applicable. The Company did not have any treasury shares during and at the end of the current financial year reported on.

**1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial year reported on.**

Not applicable. The Company did not have any subsidiary holdings during and at the end of the current financial year reported on.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as stated in Paragraph 5, the Group has adopted the same accounting policies and methods of computation as the audited financial statements for the year ended 31 December 2019.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and the Company have adopted the following new SFRS(I)s, amendments to and interpretations of SFRS(I) that are effective for the financial periods beginning on 1 January 2019:

Description Effective for annual periods beginning on or after  
SFRS(I) 16 Leases 1 January 2019

The adoption of the new and revised standards did not have any material financial impact on the financial statements of the Group and the Company for the year ended 31 December 2019.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Year Ended 31 December	
	2019	2018
	Cents	Cents
Basic (loss)/earnings per ordinary share("EPS")	(0.20)	(0.20)
Weighted average number of shares in issue during the period for calculating the EPS	1,128,386,753	991,035,662
Basic (loss)/earnings per ordinary share("EPS") on a fully diluted basis	(0.20)	(0.20)
Weighted average number of shares in issue during the period for calculating the EPS	1,128,386,753	991,035,662

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial year ended on; and
- (b) immediately preceding financial year.

	Group		Company	
	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2019	As at 31 Dec 2018
Net asset value per share (cents)	1.33	0.52	1.12	0.31

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

### Revenue, Gross Profit And Gross Profit Margin From Continuing Operations

The Group's revenue decreased approximately by S\$2.2 million or 20.53% from S\$11.0 million in FY2018 to S\$8.8 million in FY2019. Revenue contributed from distribution of consumable material for electronic industry dropped by 27.49% from S\$2.8 million in FY2018 to S\$2 million in FY2019 mainly due to the trade tension between United States and China, which resulted in the overall slowdown in electronics manufacturing industries. Revenue recorded from trading of luxury goods dropped by 17.61% from S\$8.2 million in FY2018 to S\$6.8 million in FY2019 mainly due to the political events in Hong Kong and revenue from switchgear design and assembly recorded S\$5 thousand in FY2019 as compared to S\$65 thousand in FY2018 mainly due to less demand in FY2019.

The gross profit margin of the Group slightly increased from 5.36% in FY2018 to 6.22% in FY2019. The gross profit of the Group decreased from S\$593 thousand in FY2018 to S\$546 thousand in FY2019.

### Other Operating Income From Continuing Operations

The other operating income recorded S\$6 thousand in FY2019 as compared to S\$458 thousand in FY2018 mainly due to exchange gain from foreign currency translation of S\$0.4 million and gain on disposal of investment of S\$49 thousand in FY2018.

### Selling And Distribution Expenses From Continuing Operations

The selling and distribution expenses slightly decreased by S\$28 thousand and recorded approximately S\$226 thousand in FY2019 (FY2018: S\$254 thousand) solely due to less spending on transportation expenses in FY2019.

### Administrative Expenses From Continuing Operations

The administrative expenses remained constant and recorded approximately S\$2.3 million in FY2019 and FY2018.

### Other Operating Expenses

The other operating expenses recorded \$106 thousand in FY2019 as compared to S\$259 thousand in FY2018 solely due to exchange loss resulting from foreign currency translation.

### Finance Expenses

The finance expenses in FY2019 relate solely to interest expenses from hire purchase.

### Share of loss of associate

The Group's share of loss of associate, PT Louis Gianni, recorded S\$S155 thousand in FY2019 due to the disposal of 51% of PT Louis Gianni in FY2018.

### Income Tax Expenses

For FY2019, there was no provision for income tax for Singapore and Hong Kong subsidiaries due to losses.

### (Loss) for the year From Continuing Operations

The loss after tax of approximately S\$2.3 million for FY2019 was mainly due to (i) decrease in gross profit and (ii) decrease in other operating income and (iii) increase in share of loss of associate.

### Loss From Discontinued Operations

The discontinued operations refer to subsidiaries, Luxury Watch Trading Limited, PT. Louis Gianni, Sansim Cosmetics (H.K.) Ltd, FBT HK Limited and Vashion Assets Management Limited, which were engaged in trading or wholesale of garments and cosmetics products or provision of consultancy services. These subsidiaries have either ceased operations or remained inactive since prior years.

The loss from discontinued operations dropped from S\$147 thousand in FY2018 to S\$20 thousand in FY2019.

The trading of luxury goods is operated by Vashion Group (HK) Holdings Limited.

### Non-Current Assets

The non-current assets as at 31 December 2019 was S\$1.1 million included investment in associate and property, plant, and equipment of S\$16 thousand. The decrease in property, plant, and equipment by S\$50 thousand was a result of depreciation expense.

### Current Assets

The current assets of the Group decreased by approximately S\$2 million or 33.43% from S\$5.9 million as at 31 December 2018 to S\$3.9 million as at 31 December 2019.

Inventories decreased by approximately S\$1.6 million from S\$2.4 million as at 31 December 2018 to S\$0.8 million as at 31 December 2019 as a result of a decrease in stock level for trading of luxury goods business.

The decline in trade receivables by S\$229 thousand result from settlement from customers. As at 31 December 2019, all trade receivables are within their credit terms.

The decline in cash and bank balance by S\$321 thousand was a result from the settlement of payables and expenses.

The due from associate recorded S\$1.7 million as at 31 December 2019 was attributable to the advance to Strong System Limited for the joint venture business as announced on 13 April 2018.

### Current Liabilities

The current liabilities of the Group recorded S\$1.1 million as at 31 December 2019. The current liabilities consists of (i) trade payable of S\$81 thousand; (ii) other payables and accruals of S\$0.9 million; (iii) lease obligation of S\$2 thousand and (iv) liabilities directly associated with proposed disposal group classified as held for sale of S\$110 thousand including tax payable of S\$52 thousand in Luxury Watch Trading Limited and other payable of S\$57 thousand in Switech Systems & Marketing Pte Ltd.

The decrease in trade payables of S\$28 thousand was attributable to the settlement to suppliers.

### Non-current Liabilities

The non-current liabilities of the Group declined from S\$5 thousand as at 31 December 2018 to S\$4 thousand as at 31 December 2019 as a result of settlement of lease obligation during the year.

### Net Working Capital

The drop in net working capital of approximately S\$2 million from S\$4.9 million in FY2018 to S\$2.9 million in FY2019 was mainly due to significant decrease in current assets by approximately S\$2 million from S\$5.9 million in FY2018 to S\$3.9 million in FY2019.

### Cash Flow Position

The Group has a negative operating cash flow before working capital changes of approximately S\$2 million as at 31 December 2019 mainly due to loss of approximately S\$2.3 million and adjustment made to non-cash items of (i) unrealised exchange loss of S\$106 thousand; (ii) depreciation of S\$23 thousand; (iii) interest expenses of S\$1 thousand and (iv) share of loss of associate of S\$155 thousand.

Net cash used in operating activities of approximately S\$0.4 million was mainly due to (i) decrease in inventories of S\$1.6 million; (ii) decrease in trade receivables of S\$134 thousand and (iii) decrease in payables of S\$119 thousand.

Net cash of S\$16 thousand was used in investing activities as at 31 December 2019 as a result of purchasing additional plant and equipment for the operation of distribution business.

Net cash generated from financing activities of S\$139 million as at 31 December 2019 was due to advance from a director of the Company. The advance is unsecured, interest-free and repayable on demand in cash.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

### Distribution

The principal supplier of the consumables distribution business unit has indicated to competitively price their goods and services towards the Group.

The outlook of the distribution of consumables to electronic manufacturer business segments remains constant and stable in the next twelve months based on the feedback from customers and business dealings with four of the long term customers. Going forward, we expect to continue to remain competitive in the distribution business.

### Trading of Luxury Watch

The Group commenced with the trading of luxury watch, which primarily involves cash transactions, in March 2018 ("Luxury Goods Business"). The Company has established the internal control policy and procedure for the Luxury Goods Business which has been implemented since March 2018 and adhered to. The Group would be able to tap into the thriving luxury goods market in Hong Kong and Singapore where they are able to widen their source of revenue by extending these products to young individuals and professionals. Whilst Hong Kong would be the main market, the Group does not rule out possibilities of operating the Luxury Goods Business in other geographical areas as it deems fit.

### Switchgear Design and Assembly

The Company has on 23 December 2019 announced the proposed disposal of the switchgear design and assembly business as this division is facing significant decrease in demand.

Although the Group's operations may face various challenges in the coming 12 months due to the trade tension as well as coronavirus, the Group will continue to keep exploring any potential investment opportunities in order to expand and diversify the Group's business, and improve the Group's operating results in the foreseeable future.

### Arbitration Order (announced on 17 May 2018)

As of the date of this announcement, there has been no material development on the arbitration order since the last update announcement on 17 May 2018. The Company will make further announcement to update the shareholders in the event there is any material development on the arbitration order.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

**(c) Date payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

The Board does not declare/recommend a dividend payment for the financial year ended 31 December 2019 as the Company is loss making.

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately.**

<b>(A) Business Segment FY2019</b>	Distribution S\$	Switchgear design and assembly S\$	Wholesale/ Retail business (Discontinued) S\$	Consultancy (Discontinued) S\$	Luxury goods S\$	Others S\$	Group S\$
Segment revenue	2,007	5	-	-	6,774	-	8,785
Segment result	(177)	(4)	(17)	(1)	(1,508)	(420)	(2,126)
Share of loss of associate							(155)
Consolidated loss for the year							(2,281)
Depreciation of plant and equipment	7	-	16	-	-	-	23
Segment assets	1,763	148	43	-	570	2,557	5,081
Segment liabilities	138	199	52	2	167	523	1,081

<b>(B) Business Segment FY2018</b>	Distribution S\$	Switchgear design and assembly S\$	Wholesale/ Retail business (Discontinued) S\$	Consultancy (Discontinued) S\$	Luxury goods S\$	Others S\$	Group S\$
Segment revenue	2,767	5	-	-	8,283	-	11,055
Segment result	(37)	(5)	(144)	(3)	(991)	(753)	(1,933)
Share of loss of associate							(1)
Consolidated loss for the year							(1,934)
Depreciation of plant and equipment	(11)	(1)	(15)	-	-	(4)	(31)
Write off of other receivables	-	-	-	-	(7)	-	(7)
Allowance for impairment membership rights	(24)	-	-	-	-	-	(24)
Write back of allowance for stock obsolescence	1	-	-	-	-	-	1
Net loss on disposal of investment in a subsidiary	-	-	-	-	-	(252)	(252)
Segment assets	2,042	9	60	-	2,406	2,747	7,264
Segment liabilities	185	55	70	5	382	367	1,064

**(B) Geographical information**

The Group's three business segments operate in two main geographic areas:

Asia Pacific – The Company is headquartered and has operations in Singapore. The operations in this area include investment holding, provision of administrative and management service, distribution of specialty chemical products and consumable material for the electronic industry and switchgear design and assembly services.

Asia Pacific recorded S\$2 million revenue in FY2019 and loss after tax of S\$0.76 million.

People's Republic of China ("PRC") – The operations in this area include investment holding and trading of luxury goods in Hong Kong.

PRC recorded S\$6.8 million revenue in FY2019 and loss after tax of S\$1.5 million.

**14. In the view of performance, state the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Distribution

The distribution business segment of the Group consists of distribution and supplying of consumables to the electronic manufactures. The segment recorded a loss of S\$177 thousand in FY2019 compared to a loss of S\$37 thousand in FY2018 as a result of a decline in revenue in FY2019.

Switchgear design and assembly

The Switchgear business segment relates to design, assembly and supply of electrical switchboard. The segment recorded a loss of S\$4 thousand in FY2019 as compared to a loss of S\$5 thousand in FY2018.

Trading of luxury goods

The trading of luxury goods business segment mainly focuses on the sale and purchase of luxury watches. The segment recorded a loss of approximately S\$1.5 million in FY2019 as compared to a loss of approximately S\$1.0 million in FY2018 as a result of decrease in revenue of luxury goods.

Retail/Wholesale Business (discontinued)

The retail/wholesale business includes wholesale of apparels and retailing of clothing which is discontinued. The segment recorded a loss of approximately S\$18 thousand in FY2019 as compared to loss of S\$144 thousand in FY2018.

Others

Headquarter operating expenses located in Singapore is classified under this segment. The operating expenses include the compliance costs incurred to maintain the listing status of the Company. The segment recorded a loss of about S\$0.4 million in FY2019 as compared to about S\$0.8 million in FY2018.

**15. A breakdown of sales**

	<u>Year ended 31 Dec 2019</u> S\$'000	<u>Year ended 31 Dec 2018</u> S\$'000	<u>Increase / (Decrease)</u> %
a) Sales reported for the first half year	3,698	7,518	(50.81)
b) Operating (loss) after tax before deducting minority interests reported for the first half year	(1,000)	(1,025)	(2.44)
c) Sales reported for the second half year	5,087	3,537	43.82
d) Operating (loss) after tax before deducting minority interests reported for second half year	(1,281)	(909)	40.92

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

There was no dividend declared or paid in FY2019 or the previous financial year FY2018.

**17. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate for IPTs and the Group did not have any IPTs during FY2019.



- 18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

During FY2019, there was no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to the directors, chief executive officer or substantial shareholders of the Company.

- 19. Confirmation By the Company Pursuant to Rule 720(1) of the Catalist Rules of Singapore Exchange Securities Trading Limited**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Rules.

By Order Of The Board

Christian Kwok-Leun Yau Heilesen

Executive Director

Dated: 24 February 2020

*This announcement has been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

*The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (+65) 6415 9886.*