



INCREDIBLE HOLDINGS LTD.

Incorporated in the Republic of Singapore
Company Registration Number: 199906220H

Unaudited Condensed Interim Financial Statements For the eighteen months and full year ended 30 June 2024

Incredible Holdings Ltd. (the "Company", and together with its subsidiaries, the "Group") wishes to inform the shareholders of the Company that pursuant to Rule 705(2)(d) and 705(2C) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst, the Company is required to announce its quarterly financial statements in the view of the disclaimer of opinion issued by the Company's independent auditor for the financial year ended 31 December 2022. Change of Financial Year End

On 2 January 2024, the Company announced a change of financial year end from 31 December to 30 June. The unaudited financial statements of Group presented in this announcement covers the 3-month financial period from 1 April 2024 to 30 June 2024 ("6Q2023") and its comparative preceding financial period from 1 April 2023 to 30 June 2023 ("2Q2023"), and the 18-month period from 1 January 2023 to 30 June 2024 ("18M2024") and its comparative preceding financial period from 1 January 2022 to 31 December 2022 ("12M2022").

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Lin Huiying, Head of Continuing Sponsorship, at 7 Temasek Boulevard, #04- 02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188

Table of Contents

| | |
|---|-----------|
| Condensed Interim Consolidated Statement of Comprehensive Income | 3 |
| Condensed Interim Statements of Financial Position | 4 |
| Condensed Interim Statements Of Changes In Equity | 5 |
| Condensed Interim Consolidated Statement of Cash Flows | 7 |
| Notes To The Condensed Interim Consolidated Financial Statement..... | 8 |
| Other information required by Catalist Listing Rule Appendix 7C | 16 |

Condensed Interim Consolidated Statement of Comprehensive Income
For the 18 months and full year ended 30 June 2024

| | Note | 6Q2023 | 2Q2023 | Change | 18M2024 | 12M2022 | Change |
|--|-------------|----------------|----------------|---------------|----------------|----------------|----------------|
| | | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue | 5 | 263 | 435 | (39.54) | 3,626 | 9,825 | (63.09) |
| Cost of Sales | | (245) | (395) | (37.97) | (3,468) | (8,873) | (60.92) |
| Gross profit | | 18 | 40 | (55.0) | 158 | 952 | (83.40) |
| Gross profit margin | | 6.84% | 9.20% | | 4.36% | 9.69% | |
| Other operating income | | 118 | 44 | 168.18 | 1,168 | 1,744 | (33.03) |
| Selling & distribution expenses | | (5) | (7) | (28.57) | (40) | (151) | (73.51) |
| Administrative expenses | | (267) | (704) | (62.07) | (3,942) | (4,388) | (10.16) |
| Other operating expenses | | (1,485) | - | NM | (1,492) | (2,052) | (27.29) |
| Finance costs | | (85) | (65) | 30.77 | (418) | (337) | 24.04 |
| Share of results of an associated company | | (388) | (11) | 3,427 | (220) | 55 | (500.0) |
| Loss before tax | | (2,094) | (703) | 197.87 | (4,786) | (4,177) | 14.58 |
| Income tax expense | | - | - | - | - | 38 | NM |
| Loss for the period/year | | (2,094) | (703) | 197.87 | (4,786) | (4,139) | 15.63 |
| Other comprehensive loss: | | | | | | | |
| Currency translation differences on consolidation | | 23 | 577 | (96.01) | (177) | 282 | (162.77) |
| Fair value gain from other investment | | - | - | - | - | 32 | NM |
| Total comprehensive loss for the period attributable to owners of the Company | | (2,071) | (126) | 1,543 | (4,963) | (3,825) | 29.75 |
| Loss per share for the period attributable to owners of the Company | | | | | | | |
| - Basic | | (0.07) | (0.02) | | (0.16) | (0.14) | |
| - Diluted | | (0.07) | (0.02) | | (0.16) | (0.14) | |

Warrants have not been included in the calculation of diluted loss per share because they were anti-dilutive for the current and previous financial years.

Condensed Interim Statements of Financial Position

| | Note | Group | | Company | |
|---------------------------------------|------|--|--|---|--|
| | | As at 30 June 2024 (Unaudited) S\$'000 | As at 31 December 2022 (Audited) S\$'000 | As at 30 June 2024 (Unaudited) S\$'000 | As at 31 December 2022 (Audited) S\$'000 |
| Non-current assets | | | | | |
| Plant and equipment | 11 | 62 | 131 | 2 | 21 |
| Rights of use assets | | 11 | - | 11 | - |
| Investment in subsidiaries | | - | - | 1,010 | 1,010 |
| Investment in an associated companies | | 14,393 | 14,613 | 14,614 | 14,614 |
| Other investment | | 3,152 | 3,152 | 3,152 | 3,152 |
| Intangible assets | 10 | - | 1,480 | - | - |
| Deferred tax assets | | 38 | 38 | - | - |
| Total non-current assets | | 17,656 | 19,414 | 18,790 | 18,797 |
| Current assets | | | | | |
| Inventories | 12 | 59 | 515 | - | - |
| Trade and other receivables | 13 | 2,453 | 4,443 | 546 | 647 |
| Cash and cash equivalents | | 47 | 569 | 2 | 81 |
| Total current assets | | 2,559 | 5,527 | 548 | 728 |
| Total assets | | 20,215 | 24,941 | 19,338 | 19,525 |
| Non-current liability | | | | | |
| Lease liabilities | | - | 646 | - | - |
| Loan payables | | 2,483 | 560 | - | - |
| Provision | | - | 39 | - | - |
| Other payables | | 10,482 | 10,482 | 10,482 | 10,482 |
| Total non-current liabilities | | 12,965 | 11,727 | 10,482 | 10,482 |
| Current liabilities | | | | | |
| Trade and other payables | 15 | 6,897 | 5,936 | 3,418 | 3,823 |
| Lease liabilities | 15 | 11 | 228 | - | - |
| Loan payables | | - | 1,746 | - | - |
| Total current liabilities | | 6,908 | 7,910 | 3,418 | 3,823 |
| Net assets | | 342 | 5,304 | 5,438 | 5,220 |
| Share capital | 14 | 53,666 | 53,665 | 53,666 | 53,665 |
| Foreign currency translation reserve | | (610) | (433) | - | - |
| Fair value reserve | | 32 | 32 | - | - |
| Accumulated losses | | (52,746) | (47,960) | (48,228) | (48,445) |
| Total equity | | 342 | 5,304 | 5,438 | 5,220 |

Condensed Interim Statements Of Changes In Equity
The Group

| Note | Share capital | Translation reserves | Fair value reserve | Accumulated Losses | Total Equity |
|--|---------------|----------------------|--------------------|--------------------|--------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance as at 1 January 2022 | 53,665 | (715) | - | (43,821) | 9,129 |
| Loss for the year | - | - | - | (4,139) | (4,139) |
| Other comprehensive loss for the period | | | | | |
| Currency translation differences on consolidation | - | 282 | - | - | 282 |
| Fair value gain from other investment | - | - | 32 | - | 32 |
| Total comprehensive loss for the year | - | 282 | - | (4,139) | (3,825) |
| Balance as at 31 December 2022 | 53,665 | (433) | 32 | (47,960) | 5,304 |
| Balance as at 1 January 2023 | 53,665 | (433) | 32 | (47,960) | 5,304 |
| Loss for the year | - | - | - | (4,786) | (4,786) |
| Other comprehensive loss for the year | - | (177) | - | - | (177) |
| Issuance of ordinary shares from warrant conversion on 8 February 2024 | 1 | - | - | - | 1 |
| Balance as at 30 June 2024 | 53,666 | (610) | 32 | (52,746) | 342 |

**Condensed Interim Statement Of Changes
In Equity (cont'd)**

| | Note | Share capital | Accumulated losses | Total Equity |
|--|------|---------------|--------------------|--------------|
| | | S\$'000 | S\$'000 | S\$'000 |
| <u>The Company</u> | | | | |
| Balance as at 1 January 2022 | | 53,665 | (54,848) | (1,183) |
| Profit and total comprehensive profit for the year | | - | 6,403 | 6,403 |
| Balance as at 31 December 2022 | | 53,665 | (48,445) | 5,220 |
| Balance as at 1 January 2023 | | 53,665 | (48,445) | 5,220 |
| Loss and total comprehensive loss for the year | | - | 217 | 217 |
| Issuance of ordinary shares from warrant conversion on 8 February 2024 | | 1 | - | 1 |
| Balance as at 30 June 2024 | | 53,666 | (48,228) | 5,438 |

Condensed Interim Consolidated Statement of Cash Flows

| | Group | | Group | |
|---|--------------|--------------|----------------|----------------|
| | 6Q2023 | 2Q2023 | 18M2024 | 12M2022 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from operating activities: | | | | |
| Loss before income tax | (2,094) | (703) | (4,786) | (4,178) |
| Adjustments for: | | | | |
| Depreciation of plant and equipment | 14 | 13 | 79 | 272 |
| Gain on disposal of plant and equipment | - | - | - | (1) |
| Unrealised exchange (gain)/loss | (5) | 3 | 3 | 10 |
| Share of loss/(profit) of associate | 388 | 11 | 220 | (55) |
| Interest expenses | 85 | 65 | 418 | 337 |
| Impairment losses of plant and equipment | - | - | - | 1,140 |
| Impairment loss of website development cost | - | - | - | 405 |
| Impairment of goodwill | 1,480 | - | 1,480 | - |
| Impairment of interest receivables | - | - | - | 268 |
| Impairment of other receivables | - | - | - | 8 |
| Dividend income | - | - | - | (365) |
| Operating cash flows before movement in working capital | (132) | (611) | (2,586) | (2,159) |
| Change in working capital: | | | | |
| Inventories | 148 | (10) | 455 | 5,143 |
| Trade and other receivables | 362 | (748) | 1,990 | 3,558 |
| Trade and other payables | (581) | 541 | (108) | (953) |
| Contract liabilities | - | - | - | (54) |
| Currency translation adjustments | 22 | 576 | (201) | 282 |
| Net cash (used in)/from operating activities | (181) | (252) | (450) | 5,817 |
| Interest tax credit | - | - | - | 38 |
| Net cash generated (used in)/from operating activities | (181) | (252) | (450) | 5,855 |
| Cash flows from investing activities: | | | | |
| Purchase of plant and equipment | - | - | - | (148) |
| Purchase of intangible assets | - | - | - | (405) |
| Proceeds from disposal of plant and equipment | - | - | - | 1 |
| Cash inflow from acquisition of a subsidiary | - | - | - | 4 |
| Net cash used in investing activities | - | - | - | (548) |
| Cash flows from financing activities: | | | | |
| Advances from a director | - | - | - | 5,151 |
| Repayment to a director | - | - | - | (3,689) |
| Interest paid | (1) | - | (74) | (338) |
| Proceeds from issuance of ordinary shares from warrant conversion | - | - | 1 | - |
| Repayment of lease liabilities | (5) | (35) | - | (219) |
| Repayment of loan | - | - | - | (532) |
| Advances from an associate | - | - | - | 2,271 |
| Repayment of promissory notes | - | - | - | (8,196) |
| Net cash used in financing activities | (6) | (35) | (73) | (5,552) |
| Net (decrease)/increase in cash and cash equivalents | (187) | (287) | (523) | (245) |

| | | | | |
|---|-----------|------------|-----------|------------|
| Cash and cash equivalent at beginning of the period | 234 | 601 | 569 | 815 |
| Effect of exchange rate changes on cash and cash equivalent | - | - | 1 | (1) |
| Cash and cash equivalent at end of the period | 47 | 314 | 47 | 569 |

Notes To The Condensed Interim Consolidated Financial Statement

1. Corporate information

Incredible Holdings Ltd. (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the eighteen months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are those of trading of luxury goods and that of investment holding.

The principal activities of the Group are:

- (a) Distributor of specialty chemical products, consumable material, films and spare parts for the electronic industry ;
- (b) Trading of luxury goods ; and
- (c) Loan financing business

2. Basis of preparation

The condensed interim financial statements for the eighteen months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency, and all values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.1 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 2.2 to the financial statements.

Management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for the eighteen months ended 30 June 2024 and financial year ended 31 December 2022.

2.2 New accounting standards effective on 1 January 2023

The accounting policies adopted and methods of computation are consistent with those of the previous financial year which were prepared in accordance with SFRS(l)s. There were no new and revised standards used which are effective for annual financial periods beginning on or after 1 January 2023.

3. Seasonal operations

The Group's operations were not significantly affected by seasonal or cyclical factors during the period.

4. Segment and revenue information

The Group is organised into business units based on its products and services for management purposes because they require different technology and marketing strategies. The operations in each of the Group's reportable segments are as follows:

- Trading of watches ("Luxury Goods");
- Distribution of specialty chemical products, consumable material, films and spare parts for electronic industry ("Distribution");
- Loan financing ("Loan Financing")
- Other operations include investment holding companies. ("Other")

18 months ended 30 June 2024

| | Luxury Goods | Distribution | Loan Financing | Other | Elimination | Group |
|---|---------------|--------------|-------------------|---------------|-----------------|---------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Segment revenue | 3,119 | 486 | 21 | - | - | 3,626 |
| Segment profit/(loss) | (1,806) | (632) | (459) | (1,889) | - | (4,786) |
| Depreciation | (46) | (1) | - | (32) | - | (79) |
| Share of profit of associated companies | (220) | - | - | - | - | (220) |
| Segment assets | 259 | 646 | 1,437 | 19,338 | (1,465) | 20,215 |
| <i>Segment assets includes:</i> | | | | | | |
| Investment in associated companies | - | - | - | 14,393 | - | 14,393 |
| Investment in financial assets | - | - | - | 3,152 | - | 3,152 |
| Segment liabilities | 20,225 | 120 | 3,082 | 15,125 | (18,678) | 19,874 |

12 months ended 31 December 2022

| | Luxury goods | Distribution | Loan financing | Other | Elimination | Total |
|---|---------------|--------------|----------------|---------------|-----------------|---------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Segment revenue | 9,406 | 404 | 15 | - | - | 9,825 |
| Segment loss | (3,635) | (216) | (730) | 5,206 | (4,764) | (4,139) |
| Employment support scheme | - | - | - | 51 | - | 51 |
| Depreciation | (252) | (1) | - | (19) | - | (272) |
| Impairment losses on amount due from subsidiary | - | - | - | (516) | 516 | - |
| Impairment losses on amount due from subsidiary | (405) | - | - | - | - | (405) |
| Impairment losses of plant and equipment | (1,140) | - | - | - | - | 1,140) |
| Share of profit of associated companies | - | - | - | 55 | - | 55 |
| Segment assets | 2,780 | 791 | 1,442 | 19,470 | 458 | 24,941 |
| <i>Segment assets includes:</i> | | | | | | |
| Investment in associated companies | - | - | - | 14,613 | - | 14,613 |
| Investment in financial assets | - | - | - | 3,152 | - | 3,152 |
| Segment liabilities | 20,802 | 129 | 2,618 | 15,520 | (19,432) | 19,637 |

5. Revenue

The following table provides a disaggregation disclosure of the Group's revenue by primary geographical market and major product lines.

| | Luxury goods S\$'000 | Distribution S\$'000 | Loan financing S\$'000 | Other S\$'000 | Total S\$'000 |
|--|-------------------------|-------------------------|---------------------------|------------------|------------------|
| For the 3 months ended 30 June 2024 | | | | | |
| Asia Pacific, excluding People's Republic of China ("PRC") | - | 83 | - | - | 83 |
| PRC | 179 | - | 2 | (1) | 180 |
| Denmark | - | - | - | - | - |
| | <u>179</u> | <u>83</u> | <u>2</u> | <u>(1)</u> | <u>263</u> |
| For the 3 months ended 30 June 2023 | | | | | |
| Asia Pacific, excluding People's Republic of China ("PRC") | - | 81 | - | - | 81 |
| PRC | - | - | 4 | - | 4 |
| Denmark | 350 | - | - | - | 350 |
| | <u>350</u> | <u>81</u> | <u>4</u> | <u>-</u> | <u>435</u> |
| For the 18 months ended 30 June 2024 | | | | | |
| Asia Pacific, excluding People's Republic of China ("PRC") | 3 | 486 | - | - | 489 |
| PRC | 1,423 | - | 21 | - | 1,444 |
| Denmark | 1,693 | - | - | - | 1,693 |
| | <u>3,119</u> | <u>486</u> | <u>21</u> | <u>-</u> | <u>3,626</u> |
| For the 12 months ended 31 December 2022 | | | | | |
| Asia Pacific, excluding People's Republic of China ("PRC") | 218 | 404 | - | - | 622 |
| PRC | 6,842 | - | 15 | - | 6,857 |
| Denmark | 2,346 | - | - | - | 2,346 |
| | <u>9,406</u> | <u>404</u> | <u>15</u> | <u>-</u> | <u>9,825</u> |

The Group's revenue is based on point in time. The customers are retail consumers, wholesale customers and corporate customers.

A breakdown of sales

| | 18-months ended 30 June 2024 S\$'000 | 12-months ended 31 December 2022 S\$'000 | Increase / (Decrease) % |
|---|---|---|-------------------------------|
| a) Sales reported for the first six-month period | 1,001 | 5,737 | (82.55) |
| b) Operating loss after tax before deducting minority interests reported for the first six-month period | (1,277) | (1,867) | (31.60) |
| c) Sales reported for the second six-month period | 2,159 | 4,089 | (47.20) |
| d) Operating loss after tax before deducting minority interests reported for second six-month period | (1,043) | (2,272) | (54.09) |
| e) Sales reported for the third six-month period | 466 | - | NM |
| f) Operating loss after tax before deducting minority interests reported for the third six-month period | (2,466) | - | NM |

6. Profit before taxation

6.1 Significant items

| | 6Q2023 S\$'000 | 2Q2023 S\$'000 | 18M2024 S\$'000 | 12M2022 S\$'000 |
|---|-------------------|-------------------|--------------------|--------------------|
| Other operating income | | | | |
| Foreign exchange gain/(loss), net | 5 | (3) | (3) | (10) |
| Share of profit from associates | (388) | (11) | (220) | 55 |
| Other income | 118 | 44 | 1,168 | 1,744 |
| Expenses | | | | |
| Interest expenses | 85 | 65 | 418 | 337 |
| Depreciation of property, plant and equipment | 14 | 13 | 79 | 272 |
| Impairment of intangible asset | 1,480 | - | 1,480 | - |

6.2 Related party transactions

| | 6Q2023 S\$'000 | 2Q2023 S\$'000 | 18M2024 S\$'000 | 12M2022 S\$'000 |
|--|-------------------|-------------------|--------------------|--------------------|
| Rental expenses paid to a company whereby the Company is owned by the Executive Director of the Company | - | 25 | 77 | 79 |
| Rental income from a company whereby the company is owned by the Executive Director of the Company | - | 15 | 29 | 90 |
| Rental expenses paid to an associated company | - | 14 | 40 | 103 |
| Interest expenses accrued to a company whereby the Company is owned by the immediate family of the Executive Director of the Company | - | 16 | 65 | 39 |

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

| | For the eighteen months ended 30 June 2024 S\$'000 | For the twelve months ended 31 December 2022 S\$'000 |
|-----------------------------|--|--|
| Current income tax expenses | - | - |

8. Net asset value

| | The Group | | The Company | |
|---|-------------------------|--------------------------------|-------------------------|--------------------------------|
| | 30 June 2024 S\$'000 | 31 December 2022 S\$'000 | 30 June 2024 S\$'000 | 31 December 2022 S\$'000 |
| Net asset value | 342 | 5,304 | 5,438 | 5,220 |
| Number of ordinary shares | 2,993,580,045 | 2,993,532,545 | 2,993,580,045 | 2,993,532,545 |
| Net asset value per ordinary share (cents) | 0.01 | 0.18 | 0.18 | 0.17 |

9. Earnings per ordinary share

| | 3 months Ended 30 June 2024 | 3 months Ended 30 June 2023 | 18 months Ended 30 June 2024 | 12 months Ended 31 December 2022 |
|---|-----------------------------------|-----------------------------------|------------------------------------|--|
| Net loss for the period (S\$'000) | (2,094) | (703) | (4,786) | (4,139) |
| Weighted average number of ordinary shares in issue during the period | 2,993,580,045 | 2,993,532,545 | 2,993,545,223 | 2,993,532,545 |
| Basic and Diluted loss per ordinary share (Singapore cents) | (0.07) | (0.02) | (0.16) | (0.14) |

Basic and diluted loss per ordinary share amounts are calculated by dividing net loss for the period by the weighted average number of ordinary shares in issue during the financial period. For the purposes of calculating diluted loss per ordinary share, net loss for the period and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive instruments. Basic and diluted loss per ordinary share are the same for the eighteen months ended 30 June 2024 and for the twelve months ended 31 December 2022. Warrants and bonus shares arising from the issuance of rights shares are anti-dilutive.

10. Intangible assets

| | The Group 30 June 2024 S\$'000 | The Group 31 December 2022 S\$'000 |
|--|--------------------------------------|--|
| Goodwill arising on business combination | 1,480 | 1,480 |
| Impairment of goodwill | (1,480) | - |
| Balance and net carrying amount | - | 1,480 |

As at 30 June 2024, the Group had no intangible assets(31 December 2022: S\$1,480,000).

11. Property, plant and equipment

As of 30 June 2024, the plant and equipment amounted to S\$62,000 (as of 31 December 2022: S\$131,000). Throughout the eighteen months leading up to 30 June 2024, the Group did not acquire any new assets. The reduction is solely attributed to depreciation.

12. Inventories

| | The Group | |
|-----------------------|-------------------------------|-----------------------------------|
| | As at 30 June 2024 S\$'000 | As at 31 December 2022 S\$'000 |
| Consumables and parts | 59 | 106 |
| Trading inventories | - | 409 |
| | <u>59</u> | <u>515</u> |

13. Trade and other receivables

| | The Group | | The Company | |
|--|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| | As at 30 June 2024 S\$'000 | As at 31 December 2022 S\$'000 | As at 30 June 2024 S\$'000 | As at 31 December 2022 S\$'000 |
| Trade receivables - third parties | 1,687 | 3,504 | 20 | 20 |
| Refundable deposits | 88 | 158 | 2 | 18 |
| Prepayments | 185 | 188 | 185 | 188 |
| Other receivables - third parties | 674 | 777 | 520 | 602 |
| Loans to subsidiaries | - | - | 16,954 | 16,954 |
| Amounts due from an associated company | 473 | 473 | 473 | 473 |
| Amounts due from subsidiaries | - | - | 2,207 | 2,027 |
| | <u>1,420</u> | <u>1,593</u> | <u>20,341</u> | <u>20,262</u> |
| Less: Loss allowance on loan to a subsidiary | - | - | (16,954) | (16,954) |
| Less: Loss allowance on amounts due from an associated company | (473) | (473) | (473) | (473) |
| Less: Loss allowance on amounts due from subsidiaries | - | - | (2,207) | (2,207) |
| Less: Impairment loss on prepayments | (181) | (181) | (181) | (181) |
| | <u>766</u> | <u>939</u> | <u>526</u> | <u>627</u> |
| Total | <u>2,453</u> | <u>4,443</u> | <u>546</u> | <u>647</u> |

14. Share Capital

| | The Group and the Company | | | |
|--|---------------------------------|------------------------------|-------------------------------------|------------------------------|
| | For the year ended 30 June 2024 | | For the year ended 31 December 2022 | |
| | Number of issued shares | Issued share capital S\$'000 | Number of issued shares | Issued share capital S\$'000 |
| Balance as at 1 January 2023/2022 | 2,993,532,545 | 53,665 | 2,993,532,545 | 53,665 |
| Issuance of ordinary shares from warrant conversion on 6 February 2024 | 47,500 | 1 | - | - |
| Balance as at period ended 30 June / 31 December | <u>2,993,580,045</u> | <u>53,666</u> | <u>2,993,532,545</u> | <u>53,665</u> |

There has been no change to the Company's share capital since the end of the previous period reported on.

| Types of convertibles | Number of outstanding convertibles | Number of shares that may be issued on conversion of all outstanding convertibles | As a percentage of total issued shares excluding treasury shares and subsidiary holdings |
|----------------------------|------------------------------------|---|--|
| As at 30 June 2024 | | | |
| 2021 warrants ¹ | - | - | - |
| As at 31 December 2022 | | | |
| 2021 warrants ¹ | 2,693,670,727 | 2,693,670,727 | 89.98% |

The Company did not hold any treasury shares as at 30 June 2024 and 31 December 2022.
The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 December 2022.

There were no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings for and as at the end of the current financial period reported on.

Note:

As of 2 February 2024, all outstanding 2021 warrants have lapsed. Please refer to the announcement dated 6 February 2024 and 30 January 2024 for further details.

15. Trade and other payables

| | The Group | | The Company | |
|---|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| | As at 30 June 2024 S\$'000 | As at 31 December 2022 S\$'000 | As at 30 June 2024 S\$'000 | As at 31 December 2022 S\$'000 |
| Trade payables - third parties | 648 | 157 | - | - |
| GST payables | 21 | 19 | - | - |
| | 669 | 176 | - | - |
| Other payables and accruals | 5,896 | - | 2,906 | - |
| Advances from a director | - | 2,824 | - | 719 |
| Amount due to an associated company | - | 1,031 | - | 702 |
| Accrued remuneration for directors of the Company | 332 | 1,905 | 30 | 1,905 |
| Amount due to subsidiaries | - | - | 482 | 497 |
| | 6,228 | 5,760 | 3,418 | 3,823 |
| Total | 6,897 | 5,936 | 3,418 | 3,823 |

Group Borrowings

| | As at 30 June 2024 | | As at 31 December 2022 | |
|--|--------------------|----------------------|------------------------|----------------------|
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Borrowings repayable in one year or less, or on demand | - | - | - | 1,746 |
| Financial lease less than one year | 11 | - | 228 | - |
| Financial lease more than one year | - | - | 646 | - |
| Borrowings repayable after one year | 1,320 | 1,163 | - | 560 |
| Total | 1,331 | 1,163 | 874 | 2,306 |

Details of any collateral

As at 30 June 2024, the outstanding loan payables of approximately S\$2.5 million consists of 3 loans with principal amounts of HKD3,100,000, HKD3,600,000 and HK\$7,600,000 repayable on demand. The loans bear an interest rate of 12% per annum. These loans are for working capital purposes. The loan of HK\$7.6 million is pledged by the collateral of two properties held under Billion Credit Financial Company Limited.

16. Realisations or Acquisitions

There were no realisations or acquisitions of any subsidiaries or associated companies during the period.

17. Other information required by Catalyst Listing Rule Appendix 7C

The condensed consolidated statement of financial position of Incredible Holdings Ltd. and its subsidiaries as at 30 June 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the eighteen-month period ended and certain explanatory notes have not been audited or reviewed.

Review of performance of the Group

Revenue, Gross Profit and Gross Profit Margin

The Group's revenue experienced a significant decline of approximately S\$6.2 million or 63.09%, falling from S\$9.8 million in 12M2022 to S\$3.6 million in 18M2024 and experienced a 39.54% decline in revenue, equivalent to S\$174,000 from S\$435,000 during the 2Q2023 compared to S\$263,000 for 6Q2023. The reduced sales can be attributed to a decrease in customer demand. Also, as the business environment improved and recovered, several competitors emerged in the market, resulting in a fiercely competitive landscape.

The Group's luxury goods revenue witnessed a decline of S\$6.3 million or 66.84%, dropping from S\$9.4 million in 12M2022 to S\$3.1 million in 18M2024. Furthermore, it experienced a decrease of S\$171,000 or 48.86%, falling from S\$350,000 in 2Q2023 to S\$179,000 in 6Q2023. The reduced sales can be attributed to a decrease in customer demand. Revenue in the People's Republic of China ("PRC") and Denmark dropped by S\$5.4 million and S\$653,000 respectively, transitioning from S\$6.9 million in 12M2022 to S\$1.4 million in 18M2024 and from S\$2.3 million in 12M2022 to S\$1.7 million in 18M2024. Revenue surged in PRC from S\$4,000 in 2Q2023 to S\$180,000 in 6Q2024. Conversely, revenue in Denmark dropped from S\$350,000 in 2Q2023 to zero in 6Q2024 due to a decrease in customer demand.

The Group's distribution revenue saw a rise of S\$82,000, climbing from S\$404,000 in the 12-month period ending in 30 December 2022 to S\$486,000 in the 18-month period ended 30 June 2024, primarily attributable to the inclusion of an additional 6-month period in the 18-month timeframe, and increased by S\$2,000 or 2.47% from S\$81,000 in 2Q2023 to S\$83,000 in 6Q2023. The increased sales in the sixth quarter can be attributed to the increase in customer demand during the sixth quarter. Revenue in Asia Pacific excluding PRC declined by S\$133,000, moving from S\$622,000 in 12M2022 to S\$489,000 in 18M2024, primarily attributed to reduced customer demand within the luxury goods sector. Revenue in Asia Pacific, excluding PRC, remained steady in both 2Q2023 and 6Q2024.

The Group's loan financing revenue witnessed a rise of S\$6,000 or 40%, increasing from S\$15,000 in 12M2022 to S\$21,000 in 18M2024 and decreased by S\$2,000 in the sixth quarter from S\$4,000 in 2Q2023 to S\$2,000 in 6Q2023 due to the decrease in customer demand.

As a consequence of the revenue decline, the Group encountered a reduction in gross profit of 83.4%, amounting to approximately S\$0.8 million, resulting in a total gross profit of S\$158,000 for the 18M2024 period.

The Group experienced a decline in its gross profit margin, which decreased from 9.69% in 12M2022 to 4.36% in 18M2024. In order to attract a larger customer base, the Group made adjustments to its selling price.

Other Operating Income

The decrease in other operating income, which declined by S\$0.6 million or 33.03%, from S\$1.7 million in 12M2022 to S\$1.2 in 18M2024 was mainly due to the i) absence of dividend income of S\$365,000 from an associate company; ii) absence of Governments grant income of S\$90,000 and iii) absence of reversal of bonus declared to a director of S\$1 million in 12M2022 offset by the an amount of S\$0.8 million recorded as other income, reflecting the reversal of impairment of a fixed asset that had been made in FY2022.

The increase of S\$74,000 or 168.18% from S\$44,000 in 2Q2023 to S\$118,000 in 6Q2023 was largely driven by the internet marketing revenue from the Hong Kong subsidiary, which began in late March 2024.

Selling and Distribution Expenses

The decrease in selling and distribution expenses was S\$111,000 or 73.51%, from S\$151,000 in 12M2022 to S\$40,000 in 18M2024 and S\$2,000 or 28.57% from S\$7,000 in 2Q2023 to S\$5,000 in 6Q2023. The decrease was primarily a result of the reduction of transportation expenses. For 18M2024, there were layoffs of personnel involved in selling and distribution activities, leading to a decrease in corresponding expenses.

Administrative Expenses

The reduction in administrative expenses was S\$0.5 million or 10.16% from S\$4.4 million in 12M2022 to S\$3.9 million in 18M2024. The factors for the decline included a decrease in payroll expenses due to reduction in staff amounting to S\$409,000 and a decrease in rent by S\$100,000 due to a move to a smaller office for cost-saving purposes.

The reduction in administrative expenses was S\$0.4 million or 62.07% from S\$0.7 million 2Q2023 to S\$0.3 million in 6Q2023. This reduction can be attributed primarily to i) a decrease in payroll expenses of S\$168,000 resulting from staff reduction; and ii) a decrease in rent expenses by S\$80,000 due to a move to a smaller office for cost-saving purposes, as well as a decrease in professional fees of S\$182,000.

Depreciation of plant and equipment, which decreased by S\$193,000 or 70.96%, from S\$272,000 in 12M2022 to S\$79,000 18M2024 and remained stable at S\$14,000 in 6Q2023 and S\$13,000 in 2Q2023.

Other operating expenses

The other operating expenses decreased by S\$0.6 million from S\$2.1 million in 12M2022 to S\$1.5 million 18M2024. The decrease primarily due to the absence of i) S\$1.14 million impairment of plant and equipment; ii) S\$0.4 million impairment of website development costs and iii) S\$0.3 million impairment of interest receivables. For 18M2024, the other operating expenses consist mainly of S\$1.5 million impairment of goodwill.

Finance cost

The interest costs rose by S\$81,000 or 24.04%, climbing from S\$337,000 in 12M2022 to S\$418,000 in 18M2024 due to an escalation in the interest rate. Additionally, there was a rise in interest expenses of S\$20,000 or 30.77%, with the amount increasing from S\$65,000 in the 2Q2023 to S\$86,000 in the 6Q 2023, also attributed to an increase in the interest rate.

Share of results of an associated company

The Group observed a drop in its share of results of an associated company, which decreased by S\$275,000 or 500%, from a profit of S\$55,000 in 12M2022 to a loss of S\$220,000 in 18M2024. The significant increase in the share of loss of an associate of S\$377,000 from S\$11,000 in 2Q2023 to S\$388,000 in 6Q2023 can be attributed to a decrease in customer demand.

Income Tax Expenses

No provision for income tax was allocated for loss-making companies in 18M2024 and 6Q2023.

Loss after tax

As a result of the aforementioned, the Group reported a net loss after tax of S\$4.8 million in 18M2024 vis-à-vis a net loss after tax of \$4.1 million in 12M2022, and reported a net loss after tax of S\$2.1 million in 6Q2023 compared to net loss after tax of S\$703,000 in 2Q2023.

Review of Financial Position

Non-Current Assets

The Group's non-current assets witnessed a decrease of approximately S\$1.7 million, dropping from S\$19.4 million as of 31 December 2022, to S\$17.7 million as of 30 June 2024. The investment in associated companies also decreased by S\$220,000, declining from S\$14.6 million as of 31 December 2022, to S\$14.4 million as of 30 June 2024, solely due to the share of results of an associated company. Intangible assets decreased by S\$1.48 million as of 31 December 2022, to nil as of 30 June 2024, because of the impairment of goodwill.

Additionally, there was a decrease in property, plant, and equipment of S\$69,000, reducing from S\$131,000 as of 31 December 2022, to S\$62,000 as of 30 June 2024, as a result of depreciation. No additional plant and equipment were acquired during this period.

Current Assets

The Group's current assets declined approximately S\$3 million, from S\$5.5 million as of 31 December 2022, to S\$2.5 million as of 30 June 2024.

Inventories declined by S\$456,000 from S\$515,000 as of 31 December 2022, to S\$59,000 as of 30 June 2024. The decrease was primarily caused by the Group's strategic decision to avoid acquiring additional inventories towards the end of the year. This decision was driven by the Group's focus on inventory management goals.

The Group's cash and cash equivalents decreased by S\$522,000 from S\$569,000 as of 31 December 2022, to S\$47,000 as of 30 June 2024. For a detailed overview of the cash and bank balances, please refer to the review of cash flows section below.

The decrease in trade and other receivables of S\$2 million, from S\$4.4 million as of 31 December 2022 to S\$2.4 million as of 30 June 2024, was primarily related to the collection of outstanding payments from clients for recent sales, which has been collected as of 30 June 2024.

Current Liabilities

As of 30 June 2024, the total current liabilities saw a reduction of S\$1 million, decreasing from S\$7.9 million as of 31 December 2022, to S\$6.9 million as of 30 June 2024. This decrease was primarily driven by: i) a decrease in loan payable of S\$1.7 million; ii) a reduction in advances from a director of S\$2.8 million; iii) a decrease in amounts due to an associated company of S\$1 million; and iv) accrued remuneration for directors of the company decreased by S\$1.6 million, offset by an increase in trade payables of S\$491,000 and other payables and accruals increasing by S\$5.9 million.

Trade payables to third parties increased by S\$491,000 from S\$157,000 as at 31 December 2022 to S\$648,000 as at 30 June 2024. This increase was attributed to the outstanding payment for goods purchased that remained unsettled by the reporting date.

As at 30 June 2024, other payable and accruals consisted mainly of i) salaries/wages for staffs and directors' remuneration for past years of S\$437,000; ii) professional fee for past years of S\$467,000; iii) consultancy fee for FY2022 and 18M2024 of S\$617,000; iv) interest payables of S\$414,000; v) promissory notes issued in relation to the acquisition of HB 2021 Aps in FY2021 of S\$411,000; vi) tax payable in Denmark of S\$409,000; vii) other payables of S\$3.5 million.

Non-Current Liabilities

As of 30 June 2024, the non-current liabilities of the company increased by S\$1.2 million from S\$11.7 million as of 31 December 2022, to S\$13 million as of 30 June 2024. This increase was primarily driven by the loan payable.

Working Capital

The working capital of the Company dropped by S\$2 million, shifting from a negative S\$2.4 million as of 31 December 2022, to a negative S\$4.3 million as of 30 June 2024. This change was driven by a decrease in current assets of S\$3 million as of 30 June 2024, partially offset by a decrease in current liabilities of S\$1 million.

Review of Cash Flows

The Group has an operating loss before working capital changes of S\$2.6 million as at 30 June 2024 mainly due to loss before income tax of approximately S\$4.8 million and adjusted by non-cash items of i) depreciation of S\$79,000; ii) unrealised exchange loss of S\$3,000; iii) share of loss of associate of S\$220,000; iv) interest expenses of S\$418,000; and v) impairment of goodwill of S\$1.5 million.

Net cash used in operating activities of approximately S\$450,000 was mainly due to i) increase in inventories of S\$455,000; ii) increase in trade and other receivables of S\$2 million; iii) decrease in trade and other payables of S\$108,000; and iv) currency translation adjustment of S\$201,000.

There were no investing activities during the period.

The net cash used in financing activities as of 30 June 2024 amounted to S\$73,000, resulting from the loan interest payment of S\$74,000.

The cash and cash equivalents for the period decreased by S\$522,000, from S\$569,000 as at 31 December 2022 to S\$47,000 as at 30 June 2024.

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

Not applicable.

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 operating period and the next 12 months

Distribution

The initiatives and developments in Singapore's logistics industry are likely to create a conducive environment for distribution businesses to thrive by leveraging advanced digital infrastructure, tapping into the growing e-commerce market, benefiting from improved logistics infrastructure, participating in industry transformation programs, and collaborating with global logistics players present in the region. The distribution of the consumables to the electronics manufacturer's business segment will encounter material challenges in the next 12 months as a major customer has scaled down its operations in Singapore since 2021. The Company will continue to explore new customers in Singapore and overseas.

Luxury Goods

The evolving landscape of the luxury market in Hong Kong, particularly with the resurgence of luxury spending and the shift towards a more localized approach in marketing and retail strategies, will likely have significant implications for the trading of luxury watches in the region. As luxury brands and resources potentially shift towards mainland China due to its growing dominance in the global luxury market, Hong Kong may face increased competition. Luxury watch traders in Hong Kong may need to differentiate themselves and offer unique value propositions to compete effectively. The changing preferences of consumers, especially with the rise of digital platforms and the need for more localized adaptations in marketing, will influence how luxury watches are marketed and sold in Hong Kong. Understanding and catering to these evolving consumer behaviors will be essential for success. The Luxury Goods business is expected to remain active and grow worldwide, but challenges remain, with weak general consumer sentiment and uncertainties in the Hong Kong tourism sector. The Group will continue to seek opportunities to expand operations in other geographical areas as it deems fit.

Loan Financing

The growth of the credit market in Hong Kong and the rise of virtual banks are likely to impact the money lending market by increasing competition, changing consumer behavior, and emphasizing the importance of digital transformation and risk management. The Group will continue to explore new customers in Hong Kong.

Dividend

If a decision regarding dividend has been made

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended).**

Nil

(b) (i) Amount per share

Not applicable

(ii) Previous corresponding period

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable

(d) The date the dividend is payable

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.

Not applicable

(f) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

The Board does not recommend a dividend payment as the Company is in a loss making position for the financial year ended 30 June 2024.

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.

The Group did not have interested person transaction that was S\$100,000 or above.

Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

With reference to the annual report and disclaimer opinion announcements dated 31 July 2023, the Company wishes to provide an update on efforts taken to resolve each outstanding audit issue (Please refer to the announcements for details pertaining to the basis for the Disclaimer Opinion):

Notice of Compliance ("NOC") issued by Singapore Exchange Regulation ("SGX RegCo" or the "Exchange")

In relation to the Notice of Compliance issued by SGX Regco on 27 June 2022 ("**NOC**"), the Company had appointed Provenance Capital Pte. Ltd. as the Joint Independent Reviewer to review all corporate actions and fund raising exercises conducted by both the Company and Ntegrator Holdings Limited (formerly known as Watches.com Limited) in the last twelve months from 27 June 2022, based on the approved scope of work by SGX RegCo (the "**Independent Review**").

After the release of the report for the Independent Review issued by Provance Capital Pte. Ltd. and the regulatory statement issued by the SGX on 10 November 2023, the Company will work with the auditors to facilitate their assessment of its impact on the Group's business operations. Please refer to the announcements dated 10 November 2023 for details.

Opening balance of Inventory

The current auditors have observed the counting of physical inventories at the beginning of 18M2024 and were able to ascertain the quantities held at 31 December 2022/1 January 2023.

The current auditor (RT LLP) has been re-appointed as the auditor of the Company to hold office until the conclusion of the next AGM. They have already ascertained the opening balance of inventories to enter into the determination of the financial performance and cash flows.

Impairment of website development costs

In 2020, the Company entered into an agreement with an external vendor to develop a virtual platform for the Group that would generate future economic benefits upon commercialization, whereby the Company will provide services in relation to PDF conversion which is unrelated to the Group's current business and subsequently, more functions may be developed for the current businesses (the "website project"). In 2021, there were no further developments to the website project and the management has put the website project on hold due to business strategy reasons. The website is currently not in use, and will be launched at an appropriate time to be determined by the Company. The Company will endeavor to provide sufficient information to the auditors on the assumptions used by management in its impairment assessment of the website development costs to support its carrying value as at 30 June 2024.

The impairment loss of S\$403,490 in FY2022 refers to the website development cost in Korea. The Company had planned to establish an online platform in Korea for the retail of luxury goods segment. However, due to the NOC, the Company has decided not to further pursue the Korean development and focus its resources on the Singapore and Hong Kong markets instead.

Company level - Loan to a subsidiary and amount due from subsidiaries

The Company will endeavor to provide the auditors with the appropriate audit evidence to support the assumptions used by management in its impairment assessment of the loan to subsidiary and amount due from subsidiaries as at 30 June 2024.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board of Directors has confirmed that to the best of its knowledge, that the impact of all outstanding audit issues on the Group's unaudited interim financial results for the year ended 30 June 2024 have been adequately disclosed.

A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

| | 18M2024 \$'000 | FY2022 \$'000 |
|------------------------------|---------------------------|--------------------------|
| Ordinary shares | Nil | Nil |
| Preference shares | Not applicable | Not applicable |
| Total Annual Dividend | Nil | Nil |

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

During 18M2024, 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.

Confirmation that the issuer has procured undertaking from all its directors and executive officers in the format set out in Appendix 7H) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

By Order Of The Board
Jacob Leung Kwok Kuen
Independent Non-Executive Chairman, Independent Director
Dated: 29 August 2024