

INCREDIBLE HOLDINGS LTD.
Company Registration Number: 199906220H

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
YEAR ENDED 31 DECEMBER 2020 ("FY2020")**

**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)
	2020 S\$'000	2019 S\$'000	%
Continuing operations			
Revenue	3,258	8,780	(62.89)
Cost of Sales	(2,878)	(8,239)	(65.0)
Gross profit	380	541	(29.76)
Other operating income	227	6	3,683.33
Selling & distribution expenses	(26)	(232)	(88.79)
Administrative expenses	(2,911)	(2,384)	22.11
Other operating expenses	(882)	(124)	611.29
Share of loss of associate	(54)	(155)	(65.16)
(Loss) from operations	(3,266)	(2,348)	39.10
Finance expenses	(6)	(3)	100.0
(Loss) before income tax	(3,272)	(2,351)	39.17
Income tax expenses	-	-	NM
(Loss) for the period from continuing operations	(3,272)	(2,351)	39.17
Discontinued operations			
(Loss) for the year from discontinued operations	(14)	(29)	(51.72)
Total loss for the year	(3,286)	(2,380)	38.13
Gross profit margin	11.66%	6.16%	

Consolidated Statement of Comprehensive Income:

	Group Year Ended 31 December		Increase/ (Decrease)
	2020 S\$'000	2019 S\$'000	%
(Loss) for the year	(3,286)	(2,380)	38.13
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Foreign currency translation gain	191	111	72.07
Total comprehensive loss for the year	(3,095)	(2,269)	36.40

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:

	Group	
	Year Ended 31 December	
	2020	2019
	S\$'000	S\$'000
Foreign exchange losses, net	(204)	(122)
Depreciation of plant and equipment	(78)	(85)
Interest expense	(6)	(3)
Interest income	-	-
Inventories written off	(179)	-
Gains on disposal of investment in subsidiaries	79	-
Gains on disposal of investment in associate	3	-
Allowance for impairment of amount due from associate	(500)	-

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.

Statement of Financial Position	Group		Company	
	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2019
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	113	137	18	36
Investment in subsidiaries	-	-	1,074	1,303
Investment in associate	-	1,162	1	1,101
Intangible assets	949	-	949	-
Total non-current assets	1,062	1,299	2,042	2,440
Current assets				
Inventories	520	776	-	-
Trade receivables	220	696	93	-
Other receivables, deposits and prepayments	591	89	575	73
Due from subsidiaries (non-trade)	-	-	-	-
Due from associate (non-trade)	1,171	1,696	1,171	1,696
Fixed deposits	-	-	-	-
Cash and bank balances	840	600	22	13
Assets directly associated with disposal group classified as held for sale	-	50	-	-
Total current assets	3,342	3,907	1,861	1,782
Current liabilities				
Trade payables	(41)	(83)	-	-
Other payables and accruals	(1,172)	(951)	(473)	(702)
Due to subsidiaries (non-trade)	-	-	(379)	(345)
Lease liabilities	(64)	(64)	-	-
Loan from shareholders	(2,249)	-	(2,249)	-
Income tax payable	-	-	-	-
Liabilities directly associated with disposal group classified as held for sale	-	(115)	-	-
Total current liabilities	(3,526)	(1,213)	(3,101)	(1,047)
Net current assets	(184)	2,694	(1,240)	735
Non-current liabilities				
Due to subsidiaries (non-trade)	-	-	-	(17)
Lease liabilities	(42)	(62)	-	-
Total non-current liabilities	(42)	(62)	-	(17)
Net assets	836	3,931	802	3,158
Share capital	38,852	38,852	38,852	38,852
Foreign currency translation reserve	(518)	(685)	-	-
Accumulated losses	(37,498)	(33,375)	(38,050)	(35,694)
Reserve attributable to disposal group classified as held for sale	-	(861)	-	-
Total equity	836	3,931	802	3,158

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

	Group Borrowings			
	As at 31 December 2020		As at 31 December 2019	
	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	64	-	2	-
Financial lease more than one year	43	-	4	-
Amount repayable after one year	-	-	-	-
Total	107	-	6	-

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 2020 and 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.

	Group	
	Year Ended 31 December 2020	2019
	S\$'000	S\$'000
<u>Cash flows from operating activities:</u>		
Loss before income tax from continuing operations	(3,272)	(2,351)
Loss before income tax from discontinuing operations	(14)	(29)
	<u>(3,286)</u>	<u>(2,380)</u>
Adjustment for:		
Depreciation of plant and equipment	78	85
Inventories written off	179	-
Write off of other receivables	-	1
Allowance for impairment of amount due from an associated company	500	-
Write off of amount due from an associated company	-	1
Unrealised foreign exchange losses	155	88
Share of loss of associate	54	155
Gains on disposal of investment in subsidiaries	(79)	-
Gains on disposal of investment in associate	(3)	-
Interest expense	6	3
Operating cash flow before working capital changes	<u>(2,396)</u>	<u>(2,046)</u>
Changes in working capital:		
- Inventories	77	1,573
- Trade and other receivables	(26)	153
- Trade and other payables	179	(42)
Cash used in operating activities	<u>(2,166)</u>	<u>(362)</u>
Interest paid	(6)	-
Income tax paid	-	(5)
Net cash used in operating activities	<u>(2,172)</u>	<u>(367)</u>
<u>Cash flows from investing activities:</u>		
Purchase of plant and equipment	-	(16)
Website development as intangible asset	(949)	-

Net cash inflow from disposal of an associated company	1,165	-
Interest received	-	-
Net cash generated from investing activities	216	(16)
Cash flows from financing activities:		
Interest free loan from shareholders of the Company	2,249	140
Interest paid on lease liabilities	(7)	(3)
Repayment of lease liabilities	(65)	(64)
Net cash generated from financing activities	2,177	73
Net increase/(decrease) in cash and cash equivalents	221	(310)
Cash and cash equivalent at beginning of the year	606	903
Effect of changes in foreign exchange rates on cash and cash equivalents	13	12
Cash and cash equivalent at end of the year	840	605

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

Cash and cash equivalents		
- Continuing operations	840	600
- Discontinued operations	-	5
Cash and cash equivalents per consolidated statement of cash flow	840	605

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	Foreign currency 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
Balance as at 1 January 2019	38,852	(1,657)	-	(30,995)	6,200
Loss for the year	-	-	-	(2,380)	(2,380)
Other comprehensive income					
- Currency translation differences on consolidation	-	75	-	-	75
- Exchange differences on translation of foreign subsidiaries	-	36	-	-	36
Total comprehensive income/(loss) for the period	-	111	-	(2,380)	(2,269)
Reserve attributable to disposal group classified as held for sale	-	861	(861)	-	-
Balance as at 31 December 2019	38,852	(685)	(861)	(33,375)	3,931
Balance as at 1 January 2020	38,852	(685)	(861)	(33,375)	3,931
Loss for the year	-	-	-	(3,286)	(3,286)
Other comprehensive (loss)/income					
- Exchange differences on translation of foreign subsidiaries	-	191	-	-	191
Total comprehensive income/(loss) for the year	-	191	-	(3,286)	(3,095)
Reserve attributable to disposal group classified as held for sale	-	(24)	861	(837)	-
Balance as at 31 December 2020	38,852	(518)	-	(37,498)	836

The Company

	Share Capital	Accumulated	Total Equity
	S\$'000	Losses	S\$'000
	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2019	38,852	(35,185)	3,667
Total comprehensive loss for the year	-	(509)	(509)
Balance as at 31 December 2019	38,852	(35,694)	3,158
Balance as at 1 January 2020	38,852	(35,694)	3,158
Total comprehensive loss for the year	-	(2,356)	(2,356)
Balance as at 31 December 2020	38,852	(38,050)	802

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 23 September 2020, the Company announced to issue an aggregate of up to 6,947,810,360 new ordinary shares in the capital of the Company comprising a renounceable non-underwritten rights cum warrants issue of up to 3,473,905,180 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 3,473,905,180 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) existing ordinary share in the capital of the Company 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 "Books Closure Date"), with one (1) 2019 Warrant for every one (1) Rights Shares subscribed by the Shareholder, fractional entitlements to be disregarded (the "Proposed Rights cum Warrants Issue").

The Company's issued share capital as at 31 December 2020 was S\$38,852,217 comprising 299,843,943 ordinary shares.

The Company had no treasury shares, subsidiary holdings or other convertibles as at 31 December 2020 and as at 31 December 2019.

Details movement of the Company's shares capital and number of issued shares as at 31 December 2019 to 31 December 2020:-

	Share Capital of the Company (S\$)	Number of Issued Ordinary Shares
Balance as at 1 January 2020	38,852,217	299,843,943
- no movement	-	-
Balance as at December 2020	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 2020	299,843,943	135,793,193
- no movement	-	-

Balance as at 31 December 2020	299,843,943	135,793,193
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	299,843,943	135,793,193

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 2020 was 299,843,943 and 31 December 2019 was 299,843,943.

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.

The Group has adopted the same accounting policies and methods of computation as the audited financial statements for the year ended 31 December 2020.

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 new SFRS(I)s, amendments to and interpretations of SFRS(I) that are effective for the financial periods beginning on 1 January 2020.

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 2020.

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	
	2020	2019
	Cents	Cents
Basic (loss)/earnings per ordinary share("EPS")	(1.10)	(0.79)
Weighted average number of shares in issue during the period for calculating the EPS	299,843,943	299,843,943
Basic (loss)/earnings per ordinary share("EPS") on a fully diluted basis	(1.10)	(0.79)
Weighted average number of shares in issue during the period for calculating the EPS	299,843,943	299,843,943

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 2020	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2019
Net asset value per share (cents)	0.28	1.31	0.27	1.05

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 by approximately S\$5.5 million or 62.89% from S\$8.8 million in FY2019 to S\$3.3 million in FY2020. Revenue contribution from distribution of consumable material for electronic industry dropped by 19.46% from S\$2.0 million in FY2019 to S\$1.6 million in FY2020 mainly due to COVID-19 impact which resulted in the overall slowdown in electronics manufacturing industries. Revenue recorded from trading of luxury goods dropped by 75.77% from S\$6.8 million in FY2019 to S\$1.6 million in FY2020 mainly due to the COVID-19 impact and political events in Hong Kong.

The gross profit margin of the Group slightly increased from 6.16% in FY2019 to 11.66% in FY2020 due to the adjustment of selling price for trading of luxury goods business. The gross profit of the Group decreased from S\$541 thousand in FY2019 to S\$380 thousand in FY2020.

Other Operating Income From Continuing Operations

The other operating income recorded S\$227 thousand in FY2020 as compared to S\$6 thousand in FY2019 mainly due to i) the Circuit Breaker Job Support Scheme by the governments of Singapore and Hong Kong of S\$143 thousand and ii) gains on disposal of subsidiaries and associate of S\$79 thousand and S\$3 thousand respectively. The Company had on 29 May 2020, 14 September 2020 and 30 October 2020 disposed 49% of PT. Louis Gianni, Switech Systems & Marketing Pte Ltd and Luxury Watch Trading Limited respectively. Please refer to section 11 of this announcement of more details.

Selling And Distribution Expenses From Continuing Operations

The selling and distribution expenses dropped by 88.79% or S\$206 thousand and recorded approximately S\$26 thousand in FY2020 (FY2019: S\$232 thousand) solely due to the decrease of payroll in selling and distribution expenses in FY2020.

Administrative Expenses From Continuing Operations

The administrative expenses recorded S\$2.9 million in FY2020 as compared to S\$2.4 million in FY2019. The increase was mainly due to i) payroll of S\$298 thousand and ii) professional fees of S\$260 in which S\$193 thousand was spent for consultancy fees in relation to the expansion of trading of luxury goods business.

Interest

Interest expenses increased by 100% from S\$3 thousand in FY2019 to S\$6 thousand in FY2020 mainly due to adoption of lease SFRS(I) 16.

Depreciation of plant and equipment

Depreciation of plant and equipment decreased by S\$7 thousand from S\$85 thousand in FY2019 to S\$78 thousand FY2020.

Other Operating Expenses

The other operating expenses recorded S\$882 thousand in FY2020 as compared to S\$124 thousand in FY2019. The increase in other operating expenses was mainly due to i) S\$500 thousand impairment on amount due from associate, Strong System Limited, after assessment of estimated credit loss; ii) provision for inventory obsolescence of S\$179 thousand due to slow moving stocks, iii) increase of realised and unrealised exchange loss of S\$96 thousand.

Finance Expenses

The finance expenses in FY2020 comprised interest expenses from lease liabilities.

Share of loss of associate

The Group's share of loss of associate, PT Louis Gianni, recorded S\$54 thousand in FY2020. The shareholding interest of 49% of share capital of PT. Louis Gianni was disposed on 29 May 2020.

Income Tax Expenses

For FY2020, there was no provision for income tax for the Singapore and Hong Kong subsidiaries due to losses.

(Loss) for the year From Continuing Operations

The loss after tax of approximately S\$3.3 million for FY2020 was mainly due to (i) decrease in gross profit; (ii) increase in administrative expenses and (iii) increase in other operating expenses.

(Loss) From Discontinued Operations

The discontinued operations refer to subsidiaries, Luxury Watch Trading Limited, PT. Louis Gianni, Sansim Cosmetics (H.K.) Limited and Vashion Assets Management Limited, which were engaged in trading or wholesale of garments and cosmetics products or provision of consultancy services. Luxury Watch Trading Limited and PT. Louis Gianni had been disposed on 30 October 2020 and 29 May 2020 respectively. Sansim Cosmetics (H.K.) Limited and Vashion Assets Management Limited remained inactive since prior years.

The loss from discontinued operations dropped from S\$29 thousand in FY2019 to S\$14 thousand in FY2020 (up to the date of disposal).

Non-Current Assets

The non-current assets as at 31 December 2020 of approximately S\$1.1 million included intangible assets of website development of S\$0.95 million and plant, and equipment of S\$113 thousand. The decrease in plant, and equipment was a result of depreciation expense. The decrease in investment in associate was solely due to the disposal of 49% of PT. Louis Gianni on 29 May 2020.

Current Assets

The current assets of the Group decreased by approximately S\$0.6 million or 14.46% from S\$3.9 million as at 31 December 2019 to S\$3.3 million as at 31 December 2020.

Inventories decreased by approximately S\$0.3 million from S\$0.8 million as at 31 December 2019 to S\$0.5 million as at 31 December 2020 as a result of a decrease in stock level for trading of luxury goods business. The group was waiting for the funds from the rights issue in order to expand the trading of luxury goods business.

The decline in trade receivables by S\$476 thousand was a result of settlement from customers.

The increase in other receivables, deposits and prepayments from S\$0.1 million as at 31 December 2019 to S\$0.6 million as at 31 December 2020 was mainly due to the prepayment for the website development during the year and deferred expenses for corporate exercise of rights issue.

The due from associate recorded S\$1.2 million as at 31 December 2020 as compared to S\$1.7 million as at 31 December 2019. The decrease was a result from the provision for impairment after assessment of estimated credit loss for Strong System Limited.

Current Liabilities

The current liabilities of the Group recorded S\$3.5 million as at 31 December 2020. The current liabilities consists of (i) trade payable of S\$41 thousand; (ii) other payables and accruals of S\$1.2 million; (iii) lease liabilities of S\$64 thousand and (iv) interest free loan from shareholders of S\$2.2 million. The Company had on 22 September 2020 entered into 2 loan agreements with Mission Well Limited ("Mission Well") and Go Best Group Limited ("Go Best") who agreed to extend an unsecured, interest free loan facility of S\$9.1 million and S\$0.3 million respectively to the Company. The purpose of the loan agreements are primarily to fund the Company's business operations to embark on new acquisitions, funding for financing business, expansions of the luxury goods business and for general corporate and working capital. According to the loan agreements, Mission Well and Go Best may elect the repayment and/or satisfaction in S\$ to the bank account of Mission Well/Go Best as Mission Well/Go Best may from time to time designate for such purpose, or by such other mode and/or manner of payment as may be prescribed from time to time by Mission Well/Go Best to the Company; and/or the set off of all

or any part of the outstanding sums under the loan agreements against the consideration payable by Mission Well/Go Best for the subscription of such number of new shares as Mission Well/Go Best may be entitled to, pursuant to any rights issue undertaken by the Company.

The decrease in trade payables of S\$42 thousand was attributable to the settlement to suppliers.

The increase in other payables and accruals from approximately S\$1.0 million as at 31 December 2019 to S\$1.2 million as at 31 December 2020 was due to accrual of directors' remuneration for FY2020 and payroll in December 2020.

Non-current Liabilities

The non-current liabilities of the Group recorded S\$42 thousand as at 31 December 2020 which was related to lease obligation, adoption of SFRS(I) 16 Leases.

Net Working Capital

The drop in net working capital of approximately S\$2.7 million in FY2019 to negative S\$0.2 million in FY2020 was mainly due to i) significant increase in current liabilities by approximately S\$2.3 million from S\$1.2 million as at 31 December 2019 to S\$3.5 million as at 31 December 2020 and ii) decrease in current assets by S\$0.6 million from S\$3.9 million as at 31 December 2019 to S\$3.3 million as at 31 December 2020. The increase in current liabilities was mainly attributable to the loan from shareholders.

Cash Flow Position

The Group has a negative operating cash flow before working capital changes of approximately S\$2.4 million as at 31 December 2020 mainly due to loss of approximately S\$3.0 million and adjustment made to non-cash items of (i) unrealised exchange loss of S\$155 thousand; (ii) depreciation of plant and equipment of S\$78 thousand; (iii) interest expense of S\$6 thousand; (iv) share of loss of associate of S\$54 thousand; (v) inventories written off of S\$179 thousand due to slowing moving stocks; (vi) impairment allowance made for amount due from an associated company amounted to S\$500 thousand and (vii) gains on disposal of investment in subsidiaries and associate of S\$79 thousand and S\$3 thousand respectively.

Net cash used in operating activities of approximately S\$2.2 million was mainly due to (i) decrease in inventories of S\$77 thousand; (ii) decrease in trade receivables of S\$26 thousand and (iii) increase in payables of S\$179 thousand.

Net cash of S\$216 thousand was generated from investing activities as at 31 December 2020 as a result of proceed from disposal of subsidiaries of S\$1.2 million offset by website development as intangible asset of S\$1.0 million.

Net cash generated from financing activities of S\$2.2 million as at 31 December 2020 was due mainly to the interest free loan from shareholders of the Company.

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 distribution of the consumables to the electronics manufacturer's business segment will encounter material challenges in the next 12 months and fears of loss of significant revenue as a major customer has scaled down its operation in Singapore as a result of the COVID-19 pandemic.

Trading of Luxury Watch

The Group will 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 will 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.

Loan Financing

The Company had on 28 May 2020 incorporated a wholly-owned subsidiary in Hong Kong namely Incredible Finance Limited for the operation of loan financing. The loan financing business will most likely commence operation in the second quarter of 2021 barring unforeseen circumstances.

Website development

The emergence of Covid-19 has brought about uncertainties to the Group's operating environment. The trend of online platform and electrical means become important sources for business activities during the outbreak. In view of this, the Company has commenced to develop a website for the online business. At the first stage of the online business, the Company will provide services in relation to PDF conversion which is unrelated to the Group's current business, subsequently more functions may be developed for our current businesses. The website is expected to be launched in the market in mid 2021 barring unforeseen circumstances.

The Company will continuously monitor the impact of Covid-19 on its operations and its financial performance. The Group will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Group's operations.

The Company had on 5 February 2021 completed the rights cum 2021 warrants issue.

11. Disclosures in Relation to Acquisitions and Realisations Pursuant to Catalist Rule 706A For FY2020

The Company has completed the sale of 49% of the share capital in PT. Louis Gianni to Fulan Group Limited on 29 May 2020 for the consideration of IDR11,336,699,000 or equivalent to approximately S\$1.1 million after all the principal terms have been fulfilled. Please refer to the announcement dated 29 May 2020 for more details.

The Company had on 28 May 2020 incorporated a wholly-owned subsidiary in Hong Kong namely Incredible Finance Limited for the operation of loan financing. Please refer to the announcement dated 3 June 2020 for more details.

The Company has completed the sale of the entire share capital in Switech Systems & Marketing Pte Ltd to Yap Soo Kiat for the consideration of S\$1 on 14 September 2020 after all the conditions precedent have been fulfilled. Please refer to the announcement dated 14 September 2020 for more details.

The Company entered into a share sale and purchase agreement with Chan Ka Leung on 9 October 2020 (the "Share Sale and Purchase Agreement") for the sale of the entire share capital in Luxury Watch Trading Limited to the New Purchaser (the "Proposed Disposal"). The consideration of the Proposed Disposal ("Consideration") was HKD1.00, payable by the New Purchaser to the Company by cash upon completion. The Consideration was arrived after arms' length negotiations between the Company and the New Purchaser on a willing seller and willing buyer basis and taking into consideration the negative net tangible liabilities position of LW. The Company has completed the sale of the entire share capital in Luxury Watch Trading Limited to Chan Ka Leung on 30 October 2020 after all the conditions precedent have been fulfilled. Please refer to the announcement dated 30 October 2020 for more details.

12. 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.

13. 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 2020 as the Company is loss making.

14. 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.

(A) Business Segment FY2020	Distribution	Switchgear design and assembly*	Wholesale/ Retail business*	Luxury goods	Others	Elimination	Group
	S\$	(Discontinued) S\$	(Discontinued) S\$	S\$	S\$	S\$	S\$
Segment revenue	1,616	-	-	1,642	-	-	3,258
Segment result	(332)	(2)	(66)	(1,888)	(998)	-	(3,286)
Depreciation	(48)	-	(12)	-	(18)	-	(78)
Share of loss of associate							(54)
Segment assets	1,914	-	-	397	3,902	(1,809)	4,404
Segment liabilities	296	-	-	13,095	3,149	(12,972)	3,568

* up to the date of disposal of subsidiary

(B) Business Segment FY2019	Distribution	Switchgear design and assembly	Wholesale/ Retail business	Luxury goods	Others	Elimination	Group
	S\$	(Discontinued) S\$	(Discontinued) S\$	S\$	S\$	S\$	S\$
Segment revenue	2,006	5	-	6,774	-	-	8,785
Segment profit/(loss)	(175)	(4)	5,050	(1,547)	(660)	(5,044)	(2,380)

Share of loss of associated companies	-	-	-	-	(155)	-	(155)
Other material non-cash items:							
Waiver of debts	-	-	(5,050)	-	-	-	5,050
Depreciation	(51)	-	(16)	-	(18)	-	(85)
Write off of other receivables	-	-	-	(27)	-	25	(2)
Segment assets	2,337	6	43	586	4,222	(1,988)	5,206
Segment liabilities	387	58	57	11,672	1,066	(11,963)	1,277

(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.

Asia Pacific recorded S\$1.8 million revenue in FY2020 and loss after tax of S\$1.3 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\$1.5 million revenue in FY2020 and loss after tax of S\$1.9 million.

15. 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\$332 thousand in FY2020 compared to a loss of S\$174 thousand in FY2019 as a result of a decline in revenue in FY2020.

Switchgear design and assembly

The Switchgear business segment relates to design, assembly and supply of electrical switchboard. The segment recorded a loss of S\$2 thousand in FY2020 as compared to a loss of S\$4 thousand in FY2019. The Switchgear business had been disposed on 14 September 2020.

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\$1.9 million in FY2020 as compared to a loss of approximately S\$1.5 million in FY2019 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 since 2017. The segment recorded a loss of approximately S\$66 thousand in FY2020.

Others

Headquarter operating expenses located in Singapore is classified under this segment. The operating expenses include professional fee for corporate exercises, audit fee, directors' remuneration and compliance costs incurred to maintain the listing status of the Company. The segment recorded a loss of about S\$0.7 million in FY2020 as compared to about S\$0.7 million in FY2019.

16. A breakdown of sales

	Year ended 31 Dec 2020	Year ended 31 Dec 2019	Increase / (Decrease)
	S\$'000	S\$'000	%
a) Sales reported for the first half year	2,465	3,698	(33.34)
b) Operating (loss) after tax before deducting minority interests reported for the first half year	(1,019)	(1,000)	1.9
c) Sales reported for the second half year	793	5,082	(84.40)
d) Operating (loss) after tax before deducting minority interests reported for second half year	(2,267)	(1,380)	64.28

17. 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 FY2020 or the previous financial year FY2019.

18. 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 Company had rented an unit of office for the Loan Financing business from Christian Kwok-Leun Yau Heilesen who is the Executive Director of the Company and controlling shareholder of the Company with 29.99%. Accordingly, this is an IPT as he is an "interested person" for the purposes of Chapter 9 of Singapore Exchange Securities Trading Limited's Listing Manual Section B: the Rules of Catalyst ("Catalist Rules"). The rental is HK\$40,000 per month from 3 July 2020 to 2 July 2021.

The Company announced that on 22 September 2020, entered into a loan agreement ("Mission Well Loan Agreement") with Mission Well Limited ("Mission Well"), a controlling shareholder of the Company, pursuant to which Mission Well, will extend unsecured, interest free loan facility of up to an aggregate principal amount of S\$9,101,474.62 to the Company ("Mission Well Loan"); and the Company had on 22 September 2020 entered into a loan agreement ("Go Best Loan Agreement") with Go Best Holdings Limited ("Go Best"), a shareholder of the Company pursuant to which Go Best, will extend unsecured, interest free loan facility of up to an aggregate principal amount of S\$309,540.00 to the Company ("Go Best Loan").

Mission Well is (a) a controlling shareholder of the Company holding 84,395,956 ordinary shares, representing a direct interest of 28.15% in the share capital of the Company as at the date of this announcement; and (b) an associate of the executive director of the Company, Mr

Christian Kwok-Leun Yau Heilesen ("Mr Heilesen"), who is the sole shareholder and director of Mission Well. As such, Mission Well is an interested person as defined under Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual Section B: the Rules of Catalist ("Catalist Rules").

Go Best is a shareholder of the Company holding 5,527,500 ordinary shares, representing a direct interest of 1.84% in the share capital of the Company as at the date of this announcement. The ultimate holding company of Go Best is the Christian Kwok-Leun Yau Heilesen Family Trust ("CKLY Family Trust"). The beneficiaries of the CKLY Family Trust are the family members of Mr Heilesen with indirect interest in 30% or more in Go Best. As such, Go Best is an associate of Mr Heilesen and is an interested person as defined under Chapter 9 of the Catalist Rules.

Save as disclosed above, the Group did not have other interested person transaction exceeding the S\$100,000 threshold.

19. 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 FY2020, 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.

20. Utilisation of Proceeds for the Rights Issue

The Company had on 3 February 2021 announced that 2,693,670,727 Rights Shares and 2,693,670,727 2021 Warrants have been allotted and issued by the Company on 2 February 2021. The proceeds from the issue of the Rights Shares was S\$5,673,541.45 which for the avoidance of doubt, excluded the undertaken Rights Shares subscription amount of approximately S\$9.4 million that was set off against an equivalent amount of the principal amount outstanding and due and owing by the Company to Mission Well under the Mission Well Loan Agreement and Go Best under the Go Best Loan Agreement.

As at the date of this announcement, the Company has utilized the net proceeds from Rights Issue as follows:

Use of proceeds	Allocation as per the Offer Information Statement		Amount utilized S\$'000	Percentage utilized %	Balance S\$'000
	%	S\$'000			
Funding the Financing Business	10	567	-	-	567
New Acquisitions	10	567	-	-	567
Expansion of the Luxury Goods Business	50	2,837	1,000	17.63	1,837
For general corporate and working	30	1,702	412	7.26	1,290

capital purpose					
Total	100	5,673	1,412	24.89	4,261

The above utilisation of the Net Proceeds from the Rights cum Warrants Issue is consistent with the intended uses as disclosed in the Company's Offer Information Statement dated 8 January 2021. As of the date of this announcement, no Warrants have been exercised.

An aggregate amount of S\$412 thousand had been used for general working capital and the principal disbursements are set below:

	(S\$'000)
Professional fees	222
Website development expenses	160
Director fee	30
Total	<u>412</u>

21. 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: 26 February 2021

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 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 Vera Leong, Vice President, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (+65) 6415 9881.