



## **INCREDIBLE HOLDINGS LTD.**

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

Unaudited Condensed Interim Financial Statements  
For the fifth quarter and fifteen months ended 31 March 2024

*The Company is required under Catalist Rule 705(2)(e) to report its financial statements quarterly.*

*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.*

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## Condensed Interim Consolidated Statement of Profit or Loss

	Note	5Q2023 S\$'000	1Q2023 S\$'000	Change %	15M2023 S\$'000	12M2022 S\$'000	Change %
Revenue	5	203	570	(64.39)	3,363	9,825	(65.77)
Cost of Sales		(188)	(494)	(61.94)	(3,223)	(8,873)	(63.68)
<b>Gross profit</b>		<b>15</b>	<b>76</b>	<b>(80.26)</b>	<b>140</b>	<b>952</b>	<b>(85.29)</b>
Other operating income		11	45	(75.56)	1,050	1,744	(39.79)
Selling and distribution expenses		(6)	(9)	(33.33)	(35)	(151)	(76.82)
Administrative expenses		(332)	(762)	(56.43)	(3,675)	(4,388)	(16.25)
Other operating expenses		-	(5)	NM	(7)	(2,052)	(99.66)
Finance costs		(60)	(75)	(20.0)	(333)	(337)	(1.19)
Share of results of an associated company		-	156	NM	168	55	205.45
Loss before tax		(372)	(574)	(35.19)	(2,692)	(4,177)	(35.55)
Tax expenses	7	-	-	NM	-	38	NM
<b>Loss for the period</b>		<b>(372)</b>	<b>(574)</b>	<b>(35.19)</b>	<b>(2,692)</b>	<b>(4,139)</b>	<b>(34.96)</b>
Gross profit margin		7.39%	13.33%		4.16%	9.69%	
<b>Other comprehensive (loss)/income:</b>							
Currency translation differences on consolidation		(45)	(139)	(67.63)	(199)	282	(170.57)
Fair value gain from other investment		-	-	NM	-	32	NM
<b>Total comprehensive loss for the period attributable to owners of the Company</b>		<b>(417)</b>	<b>(713)</b>	<b>(41.51)</b>	<b>(2,891)</b>	<b>(3,825)</b>	<b>(24.42)</b>
<b>Loss per share for the period attributable to owners of the Company</b>							
Basic (cents)	9	(0.01)	(0.02)		(0.09)	(0.14)	
Diluted (cents)	9	(0.01)	(0.02)		(0.09)	(0.14)	

## Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31 March 2024	31 December 2022	31 March 2024	31 December 2022
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	11	70	131	2	21
Rights of use assets		16	-	16	-
Investment in subsidiaries		-	-	1,010	1,010
Investment in associated companies		14,782	14,613	14,614	14,614
Other investment		3,152	3,152	3,152	3,152
Intangible assets	10	1,480	1,480	-	-
Deferred tax assets		38	38	-	-
<b>Total non-current assets</b>		<b>19,538</b>	<b>19,414</b>	<b>18,794</b>	<b>18,797</b>
<b>Current assets</b>					
Inventories	12	208	515	-	-
Trade and other receivables	13	2,814	4,443	605	647
Cash and cash equivalents		234	569	81	81
<b>Total current assets</b>		<b>3,256</b>	<b>5,527</b>	<b>686</b>	<b>728</b>
<b>Total assets</b>		<b>22,794</b>	<b>24,941</b>	<b>19,480</b>	<b>19,525</b>
<b>Non-current liabilities</b>					
Lease liabilities		-	646	-	-
Loan payables		1,163	560	-	-
Provision		-	39	-	-
Other payables		10,482	10,482	10,482	10,482
<b>Total non-current liabilities</b>		<b>11,645</b>	<b>11,727</b>	<b>10,482</b>	<b>10,482</b>
<b>Current liabilities</b>					
Trade and other payables	15	7,577	5,936	3,546	3,823
Lease liabilities		17	228	-	-
Loan payables		1,142	1,746	-	-
<b>Total current liabilities</b>		<b>8,736</b>	<b>7,910</b>	<b>3,546</b>	<b>3,823</b>
<b>Net assets/(liabilities)</b>		<b>2,413</b>	<b>5,304</b>	<b>5,452</b>	<b>5,220</b>
<b>Equity</b>					
Share capital	14	53,666	53,665	53,666	53,665
Foreign currency translation reserve		(633)	(433)	-	-
Fair value reserve		32	32	-	-
Accumulated losses		(50,652)	(47,960)	(48,214)	(48,445)
<b>Total equity</b>		<b>2,413</b>	<b>5,304</b>	<b>5,452</b>	<b>5,220</b>

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
<b>Balance as at 1 January 2022</b>		<b>53,665</b>	<b>(715)</b>	<b>-</b>	<b>(43,821)</b>	<b>9,129</b>
Loss for the period		-	-	-	(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 period		-	282	32	(4,139)	(3,825)
<b>Balance as at 31 December 2022</b>		<b>53,665</b>	<b>(433)</b>	<b>32</b>	<b>(47,960)</b>	<b>5,304</b>
<b>Balance as at 1 January 2023</b>		<b>53,665</b>	<b>(433)</b>	<b>32</b>	<b>(47,960)</b>	<b>5,304</b>
Loss for the period		-	-	-	(2,692)	(2,692)
Other comprehensive loss for the period		-	(200)	-	-	(200)
Total comprehensive loss for the period		-	(200)	-	(2,692)	(2,892)
Issuance of ordinary shares from warrant conversion on 8 February 2024		1	-	-	-	1
<b>Balance as at 31 March 2024</b>		<b>53,666</b>	<b>(633)</b>	<b>32</b>	<b>(50,652)</b>	<b>2,413</b>

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

	Note	Share capital	Accumulated losses	Total Equity
<b><u>The Company</u></b>				
		<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 January 2022</b>		<b>53,665</b>	<b>(54,848)</b>	<b>(1,183)</b>
Profit and total comprehensive profit for the period		-	6,403	6,403
<b>Balance as at 31 December 2022</b>		<b>53,665</b>	<b>(48,445)</b>	<b>(5,220)</b>
<b>Balance as at 1 January 2023</b>		<b>53,665</b>	<b>(48,445)</b>	<b>5,220</b>
Loss and total comprehensive loss for the period		-	231	231
Issuance of ordinary shares from warrant conversion on 8 February 2024		1	-	1
<b>Balance as at 31 March 2024</b>		<b>53,666</b>	<b>(48,214)</b>	<b>5,452</b>

## Condensed Interim Consolidated Statement Of Cash Flows

	Group		Group	
	5Q2023	1Q2023	15M2023	12M2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
Loss before income tax	(372)	(573)	(2,692)	(4,178)
Adjustments for:				
Depreciation of property, plant and equipment	14	14	66	272
Unrealised exchange loss	3	5	5	10
Share of profit of associate	-	(156)	(168)	(55)
Interest expenses	60	75	273	337
Impairment losses of plant and equipment	-	-	-	1,140
Impairment losses of website development costs	-	-	-	405
Impairment of interest receivables	-	-	-	268
Impairment of other receivables	-	-	-	8
Dividend income	-	-	-	(365)
<b>Operating loss before working capital changes</b>	<b>(295)</b>	<b>(635)</b>	<b>(2,516)</b>	<b>(2,158)</b>
<b>Change in working capital:</b>				
Inventories	131	71	307	5,143
Trade and other receivables	(207)	(445)	1,629	3,558
Trade and other payables	293	880	1,137	(953)
Contract liabilities	-	-	-	(54)
Currency translation adjustments	(67)	(130)	(226)	282
<b>Net cash (used in)/from operating activities</b>	<b>(145)</b>	<b>(259)</b>	<b>331</b>	<b>5,818</b>
Income tax credit	-	-	-	38
<b>Net cash (used in)/from operating activities</b>	<b>(145)</b>	<b>(259)</b>	<b>331</b>	<b>5,856</b>
<b>Cash flows from investing activities:</b>				
Purchase of plant and equipment	-	-	-	(148)
Purchase of intangible assets	-	-	-	(405)
Cash inflow from acquisition of a subsidiary	-	-	-	4
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(549)</b>
<b>Cash flows from financing activities:</b>				
Advances from a director	-	358	-	5,151
Repayment to a director	(57)	-	(543)	(3,689)
Interest paid	(1)	(9)	(124)	(338)
Proceeds from issuance of ordinary shares from warrant conversion	1	-	1	-
Repayment of lease liabilities	-	(57)	-	(219)
Repayment of loan	-	-	-	(532)
Advances from an associate	-	-	-	2,271
Repayment of promissory note	-	-	-	(8,196)
<b>Net cash (used in)/from financing activities</b>	<b>(57)</b>	<b>292</b>	<b>(666)</b>	<b>(5,552)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(202)</b>	<b>33</b>	<b>(335)</b>	<b>(245)</b>
Cash and cash equivalent at beginning of the period	436	569	569	815
Effect of exchange rate changes on cash and cash equivalents	-	(1)	-	(1)
Cash and cash equivalent at end of the period	<b>234</b>	<b>601</b>	<b>234</b>	<b>569</b>

## Notes To The 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 of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the fifteen months ended 31 March 2024 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are those of provision of management and accounting services to its subsidiaries and including 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 fifth quarter and fifteen months ended 31 March 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 fifteen months ended 31 March 2024.



## 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")

	<b>15 months ended 31 March 2024</b>					
	Luxury Goods S\$'000	Distribution S\$'000	Loan Financing S\$'000	Other S\$'000	Elimination S\$'000	Group S\$'000
Segment revenue	2,940	403	19	1	-	3,363
Segment loss	(1,316)	(598)	(383)	(395)	-	(2,692)
Depreciation	(39)	(1)	-	(26)	-	(66)
Share of profit of associated companies	168	-	-	-	-	168
<b>Segment assets</b>	<b>1,181</b>	<b>193</b>	<b>1,430</b>	<b>19,481</b>	<b>509</b>	<b>22,794</b>
<i>Segment assets includes:</i>						
Investment in associated companies	-	-	-	14,782	-	14,782
Investment in financial assets	-	-	-	3,152	-	3,152
<b>Segment liabilities</b>	<b>3,130</b>	<b>125</b>	<b>2,751</b>	<b>14,375</b>	<b>-</b>	<b>20,381</b>

**12 months ended 31 December 2022**

	Luxury goods S\$'000	Distribution S\$'000	Loan financing S\$'000	Other S\$'000	Elimination S\$'000	Total S\$'000
Segment revenue	9,406	404	15	-	-	9,825
Segment (loss)/profit	(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 of website development costs	(405)	-	-	-	-	(405)
Impairment losses of plant and equipment	(1,140)	-	-	-	-	(1,140)
Share of profit of associated companies	-	-	-	55	-	55
<b>Segment breakdown for period ended 31 December 2022</b>						
<b>Segment assets</b>	<b>2,780</b>	<b>791</b>	<b>1,442</b>	<b>19,470</b>	<b>458</b>	<b>24,941</b>
<i>Segment assets includes:</i>						
Investment in associated companies	-	-	-	14,613	-	14,613
Investment in financial assets	-	-	-	3,152	-	3,152
<b>Segment liabilities</b>	<b>20,802</b>	<b>129</b>	<b>2,618</b>	<b>15,520</b>	<b>(19,432)</b>	<b>19,637</b>

## 5. Revenue

The following table provides a disaggregation disclosure of the Group's revenue for continuing operations by primary geographical market, major product lines and timing of revenue recognition.

	Luxury goods S\$'000	Distribution S\$'000	Loan financing S\$'000	Other S\$'000	Total S\$'000
<b>For the fifteen months ended 31 March 2024</b>					
Asia Pacific, excluding People's Republic of China ("PRC")	3	403	-	-	406
PRC	1,244	-	19	1	1,264
Denmark	1,693	-	-	-	1,693
	<u>2,940</u>	<u>403</u>	<u>19</u>	<u>1</u>	<u>3,363</u>
<b>For the twelve months ended 31 December 2022</b>					
Asia Pacific, excluding 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>
	Luxury goods S\$'000	Distribution S\$'000	Loan financing S\$'000	Other S\$'000	Total S\$'000
<b>For the three months ended 31 March 2024</b>					
Asia Pacific, excluding PRC	-	74	-	-	74
PRC	125	-	3	1	129
Denmark	-	-	-	-	-
	<u>125</u>	<u>74</u>	<u>3</u>	<u>1</u>	<u>203</u>
<b>For the three months ended 31 March 2023</b>					
Asia Pacific, excluding PRC	3	81	-	-	84
PRC	135	-	5	-	140
Denmark	342	-	-	-	342
	<u>480</u>	<u>81</u>	<u>5</u>	<u>-</u>	<u>566</u>

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

## 6. Profit before taxation

### 6.1 Significant items

	5Q2023 S\$'000	1Q2023 S\$'000	15M2023 S\$'000	12M2022 S\$'000
<b>Other operating income</b>				
Foreign exchange loss, net	(3)	(5)	(5)	(10)
Share of profit from associates	-	156	168	55
Other income	11	45	1,050	1,744
<b>Expenses</b>				
Interest expenses	60	75	333	337
Depreciation of plant and equipment	14	14	66	272

## 6.2 Related party transactions

	5Q2023 S\$'000	1Q2023 S\$'000	15M2023 S\$'000	12M2022 S\$'000
Rental expenses paid to a company whereby the Company is owned by the Executive Director of the Company	-	26	77	79
Rental income from a company whereby the company is owned by the Executive Director of the Company	-	29	29	90
Rental expenses paid to an associated company	-	13	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	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 fifteen months ended 31 March 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	
	31 March 2024 S\$	31 December 2022 S\$	31 March 2024 S\$	31 December 2022 S\$
Net asset value (S\$'000)	2,413	5,304	5,452	5,220
Number of ordinary shares	2,993,580,045	2,993,532,545	2,993,580,045	2,993,532,545
<b>Net asset value per ordinary share (cents)</b>	<b>0.08</b>	<b>0.18</b>	<b>0.18</b>	<b>0.17</b>

## 9. Earnings per ordinary share

	3 months Ended 31 March 2024	3 months Ended 31 March 2023	Fifteen months Ended 31 March 2024	Twelve months Ended 31 December 2022
Net loss for the period (S\$'000)	(372)	(574)	(2,692)	(4,139)
Weighted average number of ordinary shares in issue during the period for calculating the EPS	2,993,580,045	2,993,532,545	2,993,532,545	2,993,532,545
Basic and Diluted loss per ordinary share("EPS") ("Cents")	(0.01)	(0.02)	(0.09)	(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 financial fifteen months ended 31 March 2024 and for the financial twelve months ended 31 December 2022 as the Group incurred a loss for both periods. Warrants and bonus shares arising from the issuance of rights shares are anti-dilutive.

## 10. Intangible assets

	The Group S\$'000
Goodwill arising on business combination	1,480
Balance and net carrying amount as at 31 December 2022 and 31 March 2024	1,480

## 11. Plant and equipment

During the fifteen months ended 31 March 2024, the Group did not acquire any new assets (31 December 2022: S\$148,000).

## 12. Inventories

	The Group	
	As at 31 March 2024 S\$'000	As at 31 December 2022 S\$'000
Consumables and parts	111	106
Trading inventories	97	409
	<u>208</u>	<u>515</u>

## 13. Trade and other receivables

	The Group		The Company	
	As at 31 March 2024 S\$	As at 31 December 2022 S\$	As at 31 March 2024 S\$	As at 31 December 2022 S\$
Trade receivables - third parties	1,992	3,504	20	20
Refundable deposits	89	155	2	18
Prepayments	198	188	198	188
Other receivables - third parties	716	777	566	602
Loans to subsidiaries	-	-	16,954	16,954
Amounts due from an associated company	473	473	473	473
Amounts due from subsidiaries	-	-	2,027	2,027
	<u>1,476</u>	<u>1,593</u>	<u>20,220</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	-	-	(2,027)	(2,027)
Less: Impairment loss on prepayments	(181)	(181)	(181)	(181)
	<u>822</u>	<u>939</u>	<u>585</u>	<u>627</u>
Total	<u>2,814</u>	<u>4,443</u>	<u>605</u>	<u>647</u>

## 14. Share Capital

	The Group and the Company			
	For the period ended 31 March 2024		For the period 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	2,993,532,545	53,665	2,993,532,545	53,665
issuance of ordinary shares from warrant conversion on 8 February 2024	47,500	1	-	-
Balance as at period ended 31 March / 31 December	2,993,580,045	53,666	2,993,532,545	53,666

Types of convertibles	Number of outstanding convertibles	Number of shares that may be issued on conversion of all outstanding convertibles
As at 31 March 2024		
2021 warrants <sup>1</sup>	-	-
As at 31 December 2022		
2021 warrants <sup>1</sup>	2,693,670,727	2,693,670,727

The Company did not hold any treasury shares as at 31 March 2024 and 31 December 2022.

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

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 31 March 2024	As at 31 December 2022	As at 31 March 2024	As at 31 December 2022
	S\$	S\$	S\$	S\$
Trade payables - third parties	664	157	-	-
GST payables	258	19	-	-
	922	176	-	-
Other payables and accruals	4,263	2,824	1,160	719
Advances from a director	487	1,031	-	702
Amount due to an associated company	1,905	1,905	1,905	1,905
Amount due to subsidiaries	-	-	481	497
	6,655	5,760	3,546	3,823
Total	7,577	5,936	3,546	3,823

	Group Borrowings			
	As at 31 March 2024		As at 31 December 2022	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Borrowings repayable in one year or less, or on demand	-	1,142	-	1,746
Financial lease less than one year	17	-	228	-
Financial lease more than one year	-	-	646	-
Borrowings repayable after one year	-	1,163	-	560
<b>Total</b>	<b>17</b>	<b>2,305</b>	<b>874</b>	<b>2,306</b>

## **Details of any collateral**

As at 31 March 2024, the outstanding loan payables of approximately S\$2.3 million consists of 5 loans with principal amounts of USD655,134, HKD3,600,000, HK\$6,700,000, HK\$2,640,000, HK\$1,150,000 repayable over 60 fixed monthly principal repayments. The loans bear interest rate of 12% per annum. These loans are for working capital purposes. There are no collaterals against any of the loans.

## **16. Dissolution or acquisition of subsidiary**

There were no dissolutions or acquisitions of any subsidiaries during the period.

## **17. Other information required by Catalist Rule Appendix 7C**

The condensed consolidated statement of financial position of Incredible Holdings Ltd. and its subsidiaries as at 31 March 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 fifteen-month period then ended and certain explanatory notes have not been audited or reviewed.

## **Review of performance of the Group**

### **Review of Financial Performance**

#### **Revenue, gross profit and gross profit margin from Continuing Operations**

The Group's revenue experienced a significant decline of approximately S\$6.5 million or 65.77%, falling from S\$9.8 million in 12M2022 to S\$3.4 million in 15M2023 and experienced a 64.39% decline in revenue, equivalent to S\$0.4 million from S\$0.6 million during the 1Q2023 compared to S\$0.2 million for 5Q2023. 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\$6.5 million or 68.74%, dropping from S\$9.4 million in 12M2022 to S\$2.9 million in 15M2023. Furthermore, it experienced a decrease of S\$355,000 or 73.96%, falling from S\$480,000 in 1Q2023 to S\$125,000 in 5Q2023. The reduced sales can be attributed to a decrease in customer demand.

Revenue for the Group distribution decreased by S\$1,000, from 404,000 in 12M2022 to S\$403,000 in 15M2023 due to an overall decrease in customer demand for the 15M2023, and decreased by S\$7,000 or 8.64% from S\$81,000 in 1Q2023 to S\$74,000 in 5Q2023. The decreased sales in the fifth quarter can be attributed to the decrease in customer demand during the fifth quarter.

The Group's loan financing revenue witnessed a rise of S\$4,000 or 26.67%, increasing from S\$15,000 in 12M2022 to S\$19,000 in 15M2023 and decreased by S\$2,000 in the fifth quarter from S\$5,000 in 1Q2023 to S\$3,000 in 5Q2023 due to the decrease in customer demand.

As a consequence of the revenue decline, the Group encountered a reduction in gross profit of 85.29%, amounting to approximately S\$812,000, resulting in a total gross profit of S\$140,000 for the 15M2023 period.

The Group experienced a decline in its gross profit margin, which decreased from 9.69% in 12M2022 to 4.16% in 15M2023. 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\$0.7 million or 39.79%, from S\$1.7 million in 12M2022 to S\$1.0 in 15M2023 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 decrease of S\$34,000 or 75.56% from S\$45,000 in the 1Q2023 to S\$11,000 in the 5Q2023 was primarily the absence of rental income starting from July 2023. Please refer to page 19 under IPT section for details

#### **Selling and distribution expenses**

The decrease in selling and distribution expenses was S\$116,000 or 76.82%, from S\$151,000 in 12M2022 to S\$35,000 in 15M2023 and S\$3,000 or 33.33% from S\$9,000 in 1Q2023 to S\$6,000 in 5Q2023. The decrease was primarily a result of the reduction of transportation expenses. For 15M2023, 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\$0.7 million or 16.25% from S\$4.4 million in 12M2022 to S\$3.7 million in 15M2023. The factors for the decline included a decrease in payroll expenses due to reduction in staff amounting to S\$608,000 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\$0.5 million or 56.43% from S\$0.8 million 1Q2023 to S\$0.3 million in 5Q2023. This reduction can be attributed primarily to i) a decrease in payroll expenses of S\$234,000 resulting from staff reduction; and ii) a decrease in rent expenses by S\$100,000 due to a move to a smaller office for cost-saving purposes, as well as a decrease in professional fees of S\$79,000.

#### Finance costs

The interest expenses went down S\$4,000 or 1.19% from S\$337,000 in 12M2022 to S\$333,000 in 15M2023 as a result of loan repayment. There was a reduction in interest expenses of S\$15,000 or 20%, with the figure dropping from S\$75,000 in 1Q2023 to S\$60,000 in 5Q2023 as a result of loan repayment.

#### Depreciation of plant and equipment

Depreciation of plant and equipment decreased by S\$206,000 or 75.73%, from S\$272,000 in 12M2022 to S\$66,000 15M2023 and remained stable at S\$14,000 in 5Q2023 and 1Q2023.

#### Share of results of an associated company

The Group observed a rise in its share of results of an associated company, which increased by S\$113,000 or 205.45%, from S\$55,000 in 12M2022 to S\$168,000 in 15M2023. The significant decline in the share of profit of an associate of S\$156,000 from S\$156,000 in 1Q2023 to nil in 5Q2023 can be attributed to a decrease in customer demand.

#### Income Tax Expenses

No provision for income tax was allocated for loss-making companies in 15M2023 and 5Q2023.

#### Loss For The Period

As a result of the aforementioned, the Group reported a net loss after tax of S\$2.7 million in 15M2023 vis-à-vis a net loss after tax of \$4.1 million in 12M2022, and reported a net loss after tax of S\$372,000 in 5Q2023 compared to net loss after tax of S\$574,000 in 1Q2023.

### **Review of Financial Position**

#### Non-Current Assets

The non-current assets of the Group increased by approximately S\$0.1 million from S\$19.4 million as of 31 December 2022, to S\$19.5 million as of 31 March 2024. The investment in associated companies increased by S\$169,000 from S\$14.6 million as at 31 December 2022 to S\$14.8 million as at 31 March 2024, solely attributed to the share of result of an associated company. This was offset by a decrease in property, plant, and equipment of S\$61,000 from S\$131,000 as of 31 December 2022 to S\$70,000 as of 31 March 2024 as a result of depreciation. No additional plant and equipment was purchased during the period.

#### Current Assets

The Group's current assets declined approximately S\$2.2 million, from S\$5.5 million as of 31 December 2022, to S\$3.3 million as of 31 March 2024.

Inventories declined by S\$307,000 from S\$515,000 as of 31 December 2022, to S\$208,000 as of 31 March 2024. The decrease was primarily caused by the Group's strategic decision to avoid acquiring additional inventories towards the end of the quarter. This decision was driven by the Group's focus on inventory management goals.

The Group's cash and cash equivalents decreased by S\$335,000 from S\$569,000 as of 31 December 2022, to S\$234,000 as of 31 March 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\$1.6 million, from S\$4.4 million as of 31 December 2022 to S\$2.8 million as of 31 March 2024, was primarily related to the collection of outstanding payments from clients for recent sales, which has been collected as of 31 March 2024.

#### Current Liabilities

As of 31 March 2024, the total current liabilities increased by S\$826,000 from S\$7.9 million as at 31 December 2022 to S\$8.7 million as at 31 March 2024, contributed mainly by the increase in trade payable of i) S\$507,000; ii) GST payable of S\$239,000; and iii) other payables and accruals of S\$1.4 million offset by i) decrease in loan payables of S\$604,000; ii) decrease in lease liabilities of S\$211,000 and iii) decrease in amount due to a director of S\$544,000 due to repayment made to the director.

Trade payables to third parties increased by S\$507,000 from S\$157,000 as at 31 December 2022 to S\$664,000 as at 31 March 2024. This increase was attributed to the outstanding payment for goods purchased that remained unsettled by the reporting date.

Other payables and accruals increased by S\$1.4 million from S\$2.8 million as at 31 December 2022 to S\$4.2 million as at 31 March 2024. The increase was mainly due to i) consultancy fee of S\$385,000; ii) salaries/wages for staffs and directors' remuneration of S\$454,000; iii) interest payables of S\$338,000; and iv) professional fee of S\$150,000 and others.

As at 31 March 2024, other payable and accruals consisted mainly of i) salaries/wages for staffs and directors' remuneration for past years of S\$875,000; ii) provision of audit fee for 15M2023 of S\$190,000; iii) professional fee for past years of S\$358,000; v) consultancy fee for FY2021, FY2022 and 15M2023 of S\$983,000; vi) interest payables of S\$506,000; vii) promissory notes issued in relation to the acquisition of HB 2021 Aps in FY2021 of S\$413,000; viii) tax payable in Denmark of S\$167,000; ix) rent of S\$76,000; x) other payables of inventories of S\$62,000; xi) advanced from an associate of S\$319,000 and others.

#### Non-Current Liabilities

As of 31 March 2024, the non-current liabilities of the company declined by S\$0.1 million from S\$11.7 million as of 31 December 2022, to S\$11.6 million. This decrease was primarily driven by i) decrease in provision of S\$39,000 ii) decrease in lease liabilities of S\$646,000 after the return of office to landlord and offset by iii) the reclassification of a S\$603,000 loan from current liabilities to non-current liabilities.

#### Working Capital

The net working capital decreased by S\$3.1 million from negative S\$2.4 million as at 31 December 2022 to negative S\$5.5 million as at 31 March 2024 as a result of the increase in current liabilities of S\$0.8 million as at 31 March 2024 and the decrease in current assets of S\$2.3 million.

The Company has obtained a financial support letter dated 25 July 2023 from the controlling shareholder of the Company at zero interest rate to enable the Company to meet its obligations as and when they fall due for at least 12 months, till 24 July 2024.

#### **Review of Cash Flows**

The Group has an operating loss before working capital changes of S\$2.5 million as at 31 March 2024 mainly due to loss before income tax of approximately S\$2.7 million and adjusted by non-cash items of i) depreciation of S\$66,000; ii) unrealised exchange loss of S\$5,000; iii) share of profit of associate of S\$168,000 and iv) interest expenses of S\$273,000.

Net cash generated from operating activities of approximately S\$331,000 was mainly due to i) decrease in inventories of S\$307,000; ii) decrease in trade and other receivables of S\$1.6 million, iii) increase in trade and other payables of S\$1.1 million and offset by iv) currency translation adjustment of S\$226,000.

There were no investing activities during the period.

The net cash flow used in financing activities as of 31 March 2024 amounted to S\$666,000, resulting from the following factors: i) repayment to a director of S\$543,000 and ii) loan interest payment of S\$124,000.

The cash and cash equivalents for the period decreased by S\$335,000, from S\$569,000 as at 31 December 2022 to S\$234,000 as at 31 March 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 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 Luxury Goods business is expected to remain active and grow worldwide. The Group will continue to seek opportunities to expand operations in other geographical areas as it deems fit.

Loan Financing

The Group will continue to explore new customers in Hong Kong.

**Dividend**

**(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 the 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 pm) will be registered before entitlements to the dividend are determined:**

Not applicable.

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

The Board does not recommend a dividend payment as the Company is in a loss making position for the fifteen months ended 31 March 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 had leased an office of Billion Credit Financial Company Limited ("**Billion Credit**") from a company which is wholly-owned by Christian Kwok-Leun Yau Heilesen who was the Executive Director of the Company and was a controlling shareholder of the Company with 59.14% shareholding interest. Accordingly, this was an IPT as he was an "interested person" for the purposes of Chapter 9 of the Catalist Rules. Billion Credit obtained a waiver from the landlord to waive the rent for the period from October 2023 to July 2024 due to a significant drop in client demand. The total rental expenses accrued till September 2023 was HK\$450,000 (equivalent to S\$77,000).

The Company had leased part of the office of HB 2021 ApS to Yourwatches.com ApS which is wholly-owned by Christian Kwok-

Leun Yau Heilesen who was the Executive Director of the Company and was a controlling shareholder of the Company with 59.14% shareholding interest. Accordingly, this was an IPT as he was an “interested person” for the purposes of Chapter 9 of the Catalist Rules. The rental income for till June 2023 was DKK150,000 (equivalent to S\$29,000) as the rental ceased with effect from July 2023. No rent income recorded from January 2024 to March 2024.

The Group had leased an office of CKLY Trading Limited from a company which is wholly-owned by Christian Kwok-Leun Yau Heilesen who was the Executive Director of the Company and was the controlling shareholder of the Company. Accordingly, this was an IPT as he was an “interested person” for the purposes of Chapter 9 of the Catalist Rules. The landlord waived the rent from October 2023 to March 2024 due to a significant drop in client demand. The total rental expenses paid till September 2023 was HK\$234,000 (equivalent to S\$40,000). The amount represented a 42% share of rental expenses attributable to the Company’s shareholdings in Golden Ultra Limited.

Christian Kwok-Leun Yau Heilesen was no longer an Executive Director after his resignation on 8 March 2024, he is also no longer a controlling shareholder or substantial shareholder of the Company as at 30 January 2024.

Ace Sight Limited (“Lender”) provided Billion Credit Financial Company Limited with a loan of HK\$3,600,000 as working capital for the loan financing business. A family member of the previous Executive Director, on 28 March 2022, acquired all of the share capital of the Lender. Interest expenses of S\$81,000 was accrued to the Lender in 15M2023.

The Group did not have interested person transaction exceeding the S\$100,000 threshold.

### **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 on 10 November 2023, the Company will work with the auditors to facilitate their assessment of its impact on the Group’s business operations.

#### **Opening balance of Inventory**

The current auditors have observed the counting of physical inventories at the beginning of FY2023 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 would 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 only be launched in 2024. 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 Financial Year End 2023 (“**FYE2023**”).

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 FYE2023.

**(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 period ended 31 March 2024 have been adequately disclosed.

**Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors has confirmed that to the best of its knowledge, nothing has come to their attention which may render the Group's unaudited interim financial results for the period ended 31 March 2024 to be false or misleading in any material aspect.

**Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A**

Not applicable, as the Company did not carry out any acquisition or sale of shares for the current financial period which would require disclosure under Rule 706A.

**Use of 2021 warrants proceeds**

The Company received proceeds from the exercise of the 2021 warrants of approximately S\$570. As at the date of this announcement, the net proceeds of S\$570 have been utilised as follows:

	Allocation of Net Proceeds (as disclosed in the Offer Document) (S\$'000)	Reallocation of Net Proceeds during the year (S\$'000)	Net Proceeds utilised as at the date of this announcement (S\$'000)	Balance of Net Proceeds (S\$'000)
General Working Capital Purposes	1	-	1	-
Total	1	-	1	-

Note :

(1) The 2021 warrants net proceeds allocated for general working capital purposes of S\$570 has been utilised for payroll expenses.

**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: 14 May 2024

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*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.*