

INCREDIBLE HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
Company Registration Number: 199906220H

DIFFERENCES BETWEEN AUDITED AND PREVIOUSLY ANNOUNCED UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist (“**Catalist Rules**”), Incredible Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its unaudited full year financial results for the year ended 31 December 2021 (“**FY2021**”) that was announced on 28 February 2022. Upon the finalization of the FY2021 audit, certain adjustments were made which have a material impact on previously announced FY2021 results. The differences between the audited and unaudited results with the explanations for the material differences are set out below.

1. The Group’s statement of profit or loss and other comprehensive income for financial year ended 31 December 2021 (“FY 2021”)

Group Year Ended 31 December 2021					
Note	Audited	Unaudited	Variance		
	S\$'000	S\$'000	S\$'000	%	
Continuing operations					
Revenue	23,338	23,338	-	-	
Cost of Sales	(22,572)	(22,662)	90	(0.4)	
Gross profit	766	676	90	13.31	
Other operating income	523	562	(39)	(6.94)	
Reversal of provision for stock	-	90	(90)	NM	
Allowance for impairment on amount due from an associate – reversal / (charge)	27	27	-	-	
Selling & distribution expenses	(115)	(26)	(89)	342.31	
Administrative expenses	(4,601)	(4,675)	74	(1.58)	
Other operating expenses	(2,885)	(1)	(2,884)	288,400	
Finance costs	(37)	(38)	1	(2.63)	
Share of loss of associates	-	-	-	-	
Loss from continuing operations	(6,322)	(3,385)	(2,937)	86.77	
Income tax expenses	-	-	-	-	
Loss from continuing operations, net of tax	(6,322)	(3,385)	(2,937)	86.79	
Loss from discontinued operations, net of tax	-	-	-	-	
Loss for the year	(6,322)	(3,385)	(2,937)	86.79	
Other comprehensive income:					
Currency translation differences on consolidation	1f	(197)	(234)	37	(15.81)
Total comprehensive loss for the year	(6,519)	(3,619)	(2,900)	80.13	

2. The Group's statement of financial position as at 31 December 2021

Group Statement of Financial Position as at 31 December 2021				
		Audited	Unaudited	Variance
		S\$'000	S\$'000	S\$'000 %
Non-current assets				
Property, plant and equipment	2a	1,394	1,547	(153) (9.89)
Intangible assets	2b	-	1,304	(1,304) NM
Goodwill	2c	-	1,062	(1,062) NM
Total non-current assets		1,394	3,913	(2,519) (64.38)
Current assets				
Inventories		5,657	5,847	(190) (3.25)
Trade and other receivables		6,081	6,224	(143) (2.30)
Cash and cash equivalents		815	815	- -
Total current assets		12,553	12,886	(333) (2.58)
Non-current liabilities				
Lease liabilities	2d	(874)	(419)	(455) 108.59
Provision	2e	(39)	-	(39) NM
Total non-current liabilities		(913)	(419)	(494) 117.90
Current liabilities				
Trade and other payables		(3,632)	(3,622)	(10) 0.28
Contract liabilities		(54)	(54)	- -
Lease liabilities	2f	(219)	(674)	455 (67.51)
Total current liabilities		(3,905)	(4,350)	445 (10.23)
Net current assets		8,648	8,536	112 1.31
Net assets		9,129	12,030	(2,901) (24.11)
Share capital		53,665	53,665	- -
Translation reserve		(715)	(752)	37 (4.92)
Accumulated losses		(43,821)	(40,883)	(2,938) 7.19
Total equity		9,129	12,030	(2,901) (24.11)

NM: Not Meaningful

3. The Group's statement of cash flows for the year ended as at 31 December 2021

		Group Year Ended 31 December as at 31 December 2021			
		Audited	Unaudited	Variance	
		S\$'000	S\$'000	S\$'000	%
Cash flows from operating activities:					
Loss before income tax from continuing operations		(6,323)	(3,385)	(2,938)	86.79
Loss before income tax from discontinued operations		-	-	-	-
Total loss before tax		(6,323)	(3,385)	(2,938)	86.79
Adjustment for:					
Depreciation of plant and equipment		153	153	-	-
Gain on disposal of plant and equipment		(3)	-	(3)	NM
Gain on lease termination		(1)	-	(1)	NM
Inventories written off		1	-	1	NM
Written down of inventories	3a	183	1	182	18,200
Reversal of inventory write down	3b	(90)	-	(90)	NM
Reversal of provision for stock obsolescence	3c	-	90	(90)	NM
Unrealised exchange (gain)	3d	(33)	(409)	376	(91.93)
Reversal of impairment losses on amount due from an associate		(26)	(26)	-	-
Interest expenses		37	38	(1)	(2.63)
Impairment losses of plant and equipment	3e	183	-	183	NM
Impairment losses of goodwill	3f	1,062	-	1,062	NM
Impairment losses of website development costs	3g	1,275	-	1,275	NM
Impairment losses of prepayments	3h	181	-	181	NM
Operating cash flow before movement in working capital		(3,401)	(3,538)	137	(3.87)
Change in working capital:					
Inventories		(5,225)	(5,327)	102	(1.91)
Trade and other receivables		(5,305)	(5,412)	107	(1.98)
Trade and other payables		1,433	1,481	(48)	(3.24)
Contract liabilities		54	54	-	-
Currency translation adjustments	3i	(208)	85	(293)	(344.71)
Cash used in operations		(12,652)	(12,657)	5	(0.04)
Interest paid	3j	-	(4)	4	(100.0)
Net cash used in operating activities		(12,652)	(12,661)	9	(0.07)
Cash flows from investing activities:					
Purchase of plant and equipment	3k	(250)	(522)	272	(52.11)
Purchase of intangible assets	3l	(195)	(355)	160	(45.07)
Proceeds from disposal of plant and equipment	3m	11	-	11	NM
Consideration paid for acquisition of a subsidiary	3n	(453)	(165)	(288)	174.55
Prepayment for intangible assets – development cost	3o	(125)	-	(125)	NM
Repayment from an associated company	3p	1,231	-	1,231	NM
Net cash used in investing activities		219	(1,042)	1,261	(121.02)
Cash flows from financing activities:					
Advances from a director	3q	2,163	-	2,163	NM
Repayments to a director	3r	(2,170)	-	(2,170)	NM
Loan from shareholders	3s	7,196	-	7,196	NM
Proceeds from issuance of shares in connection with rights shares on 2 February 2021	3t	5,674	14,813	(9,139)	(61.70)
Share issue expenses	3u	(272)	-	(272)	NM
Proceeds from issuance of shares in connection with the exercise of warrants on 15 March 2021		-	1	(1)	NM
Repayment to loan from shareholders	3v	-	(2,215)	(2,215)	NM
Repayment from an associate	3w	-	1,197	(1,197)	NM

Interest paid on lease liabilities	3x	(37)	(34)	(3)	8.82
Repayments of lease obligations	3y	(145)	(81)	(64)	79.01
Net cash generated from financing activities		12,409	13,681	(1,272)	(9.30)
Net (decrease) in cash and cash equivalents		(24)	(22)	(2)	9.09
Cash and cash equivalent at beginning of the year		840	840	-	-
Effect of changes in foreign exchange rates on cash and cash equivalents		(1)	(3)	2	(66.67)
Cash and cash equivalent at end of the year		815	815	-	-

NM: Not Meaningful

Note:

As a result of the adjustment and reclassification made to the consolidated statement of financial position and consolidated income statement, correspondent changes have been made to the consolidated statement of cash flows; and it should be read in conjunction with the audited consolidated statement of financial position and audited consolidated income statement.

Explanatory Notes:

Note 1a

The variance is due to the reclassification of reversal of provision for stock to cost of sales which resulted in a change in gross profit.

Note 1b

The variance is due to the adjustment of unrealised exchange loss of S\$39 thousand offset against other operating income.

Note 1c

The variance is due to the reclassification as stated in Note 1a.

Note 1d

The variance is due to the reclassification from administrative expenses.

Note 1e

The variance is due to adjustment of i) impairment of intangible assets, ii) impairment of goodwill and iii) impairment of prepayment for website development cost during the audit.

Note 1f

The variance is due to the adjustment for currency translation differences arising from translation of financial statements of foreign associated company.

Note 2a

The variance is due to the adjustment of impairment of equipment in subsidiaries during the audit.

Note 2b

The variance is due to the adjustment of impairment of website development cost during the audit.

Note 2c

The variance is due to the adjustment of impairment of goodwill during the audit.

Note 2d

The variance is due to the reclassification of lease liabilities between non-current liabilities and current liabilities.

Note 2e

The variance is due to the adjustment of provision for reinstatement costs, represented by the present value of management's best estimate of the future outflow of economic benefits that will be required to reinstate leased property to its original state.

Note 2f

The variance is due to the reclassification of lease liabilities between non-current liabilities and current liabilities.

Note 3a

The variance is due to classification between write down of inventories, reversal of inventory write down and reversal of provision for stock obsolescence.

Note 3b

The variance is due to classification between write down of inventories, reversal of inventory write down and reversal of provision for stock obsolescence.

Note 3c

The variance is due to classification between written down of inventories, reversal of inventory write down and reversal of provision for stock obsolescence.

Note 3d

The variance is due to the adjustment for currency translation differences arising from translation of financial statements of foreign associated company.

Note 3e

The variance is due to adjustment of impairment of equipment in subsidiaries during the audit.

Note 3f

The variance is due to the adjustment of impairment of goodwill during the audit.

Note 3g

The variance is due to the adjustment of impairment of website development cost during the audit.

Note 3h

The variance is due to the adjustment of prepayment of website development cost during the audit.

Note 3i

The variance is due to the adjustment for currency translation differences arising from translation of financial statements of foreign associated company.

Note 3j

The variance is due to reclassification between interest expenses in cash in operating activities and cash flows from financing activities.

Note 3k

The variance is due to reclassification between i) purchase of plant and equipment, ii) proceeds from disposal of plant and equipment and iii) consideration paid for acquisition of a subsidiary.

Note 3l

The variance is due to reclassification between purchase of intangible assets and prepayment for intangible assets – development cost.

Note 3m

The variance is due to reclassification between i) purchase of plant and equipment, ii) proceeds from disposal of plant and equipment and iii) consideration paid for acquisition of a subsidiary.

Note 3n

The variance is due to reclassification between i) purchase of plant and equipment, ii) proceeds from disposal of plant and equipment and iii) consideration paid for acquisition of a subsidiary.

Note 3o

The variance is due to reclassification between purchase of intangible assets and prepayment for intangible assets – development cost.

Note 3p

The variance is due to reclassification between cash flows from investing activities and cash flows from financing activities.

Note 3q

The variance is due to reclassification between i) advances from a director, ii) repayment to a director, iii) loan from shareholders, iv) proceeds from issuance of shares in connection with rights shares on February 2021, v) share issue expenses, vi) proceeds from issuance of shares in connection with the exercise of warrants on 15 March 2021 and vii) repayment to loan from shareholders under cash flow from financing activities.

Note 3r

The variance is due to reason stated in Note 3q.

Note 3s

The variance is due to reason stated in Note 3q.

Note 3t

The variance is due to reason stated in Note 3q.

Note 3u

The variance is due to reason stated in Note 3q.

Note 3v

The variance is due to reason stated in Note 3q.

Note 3w

The variance is due to reclassification between cash flows from investing activities and cash flows from financing activities.

Note 3x

The variance is due to reclassification between interest expenses in cash in operating activities and cash flows from financing activities.

Note 3y

The variance is due to the reclassification between operating activities and financing activities.

By Order Of The Board

Christian Kwok-Leun Yau Heilesen
Executive Director
Date: 7 June 2022

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.