Incredible

ANNUAL REPORT 2020

INCREDIBLE HOLDINGS LTD.

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Incredible Holdings Ltd.

This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor Hong Leong Finance Limited (the "Sponsor"). This annual report has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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.

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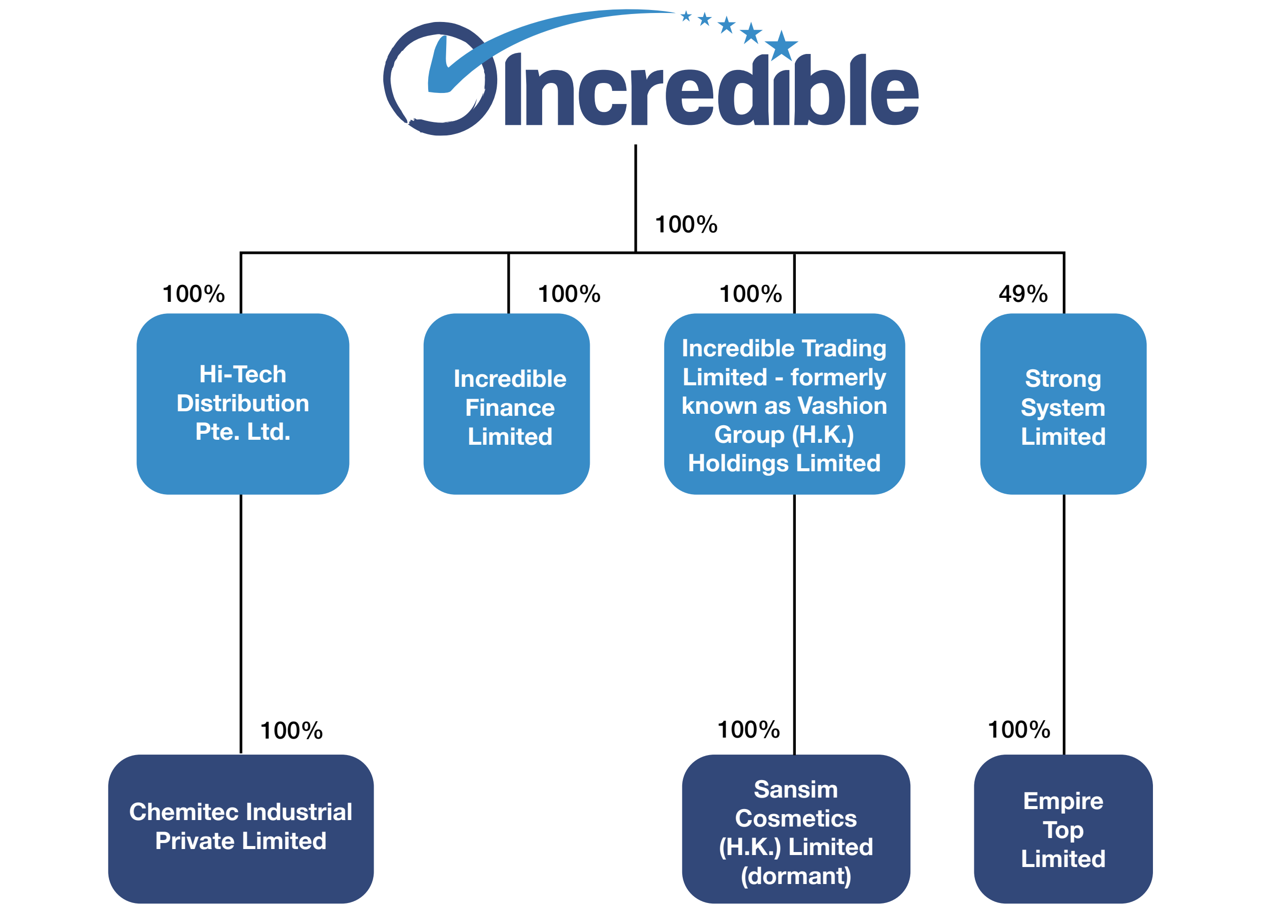
CORPORATE PROFILE

Incredible Holdings Ltd. and its subsidiaries (**"the Group"**) focus its core business on distribution of equipment and consumable materials for the electronics industry in Singapore and trading of luxury goods in Hong Kong.

GROUP STRUCTURE



Note : Switech Systems & Marketing Pte. Ltd. was disposed on 14 September 2020. Vashion Asset Management was dissolved on 18 September 2020. Luxury Watch Trading Limited was disposed on 30 October 2020.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the board of directors for the Incredible Holdings Ltd. (the "Company") and its subsidiaries collectively, (the "Group"), it is my pleasure to present to you the Annual Report for financial year ended 31 December 2020 ("FY2020").

In the current weak global economies, most sectors of the Singapore economy were negatively impacted. The Group also faced a challenging business environment in FY2020. The Group will continue to focus on productivity improvement and cost management to sustain its existing businesses in the coming year. The Group will also explore investment opportunities to achieve the long-term goal of enhancing our shareholders' value.

BUSINESS OPERATIONS AND FINANCIAL RESULTS REVIEW

The Group's revenue decreased by approximately S$5.5 million or 62.5% 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 20% 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 76.47% 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 increased slightly from 6.16% in FY2019 to 11.68% 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.

In continuing operations, the other operating income recorded S$170 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$133 thousand and ii) gains on disposal on investment in an associated company of S$26 thousand. 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. The selling and distribution expenses dropped by 1.9% or S$4 thousand and recorded approximately S$228 thousand in FY2020 (FY2019: S$232 thousand). The administrative expenses recorded S$2.7 million in FY2020 as compared to S$2.4 million in FY2019. The increase was mainly due to 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. The other operating expenses recorded S$381 thousand in FY2020 as compared to S$124 thousand in FY2019. The increase in other operating expenses was mainly due to i) provision for inventory obsolescence and written off of S$179 thousand due to slow moving stocks, ii) increase of realised and unrealised exchange loss of S$81 thousand. In terms of finance expenses in FY2020 which solely related to interest expenses from hire purchase and lease liabilities.

The loss after tax of approximately S$4.1 million for FY2020 was mainly due to (i) decrease in gross profit; (ii) increase in administrative expenses and (iii) increase in other operating expenses.

FINANCIAL POSITION REVIEW

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.

CHAIRMAN'S STATEMENT

The current assets of the Group decreased by approximately S$0.6 million or 15.38% 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$90 thousand 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.

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 Singapore dollars 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 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 interest free loan from shareholders.

COMMENTARY ON CASH FLOW

The Group has a negative operating cash flow before working capital changes of approximately S$2.5 million as at 31 December 2020 mainly due to loss of approximately S$4.1 million and adjustment made to non-cash items of (i) unrealised exchange loss of S$73 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$154 thousand due to slowing moving stocks; (vi) impairment allowance made for amount due from an associated company amounted to S$500 thousand and (vii) loss on disposal of investment in subsidiaries of S$782 thousand and (viii) gain on disposal of investment in an associated company of S$26 thousand. Net cash used in operating activities of approximately S$1.6 million was mainly due to (i) decrease in inventories of S$103 thousand; (ii) decrease in trade receivables of S$390 thousand and (iii) increase in payables of S$252 thousand. Net cash of S$164 thousand was generated from investing activities as at 31 December 2020 as a result of proceed from disposal of associate of S$1.1 million offset by website development as intangible asset of S$1.3 million. Net cash generated from financing activities of S$2 million as at 31 December 2020 was due mainly to the interest free loan from shareholders of the Company.

CORPORATE DEVELOPMENTS AND BUSINESS OUTLOOK

BUSINESS DEVELOPMENT

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.

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

CHAIRMAN'S STATEMENT

market, the Group does not rule out possibilities of operating the Luxury Goods Business in other geographical areas as it deems fit.

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.

The emergence of Covid-19 has brought about uncertainties to the Group's operating environment. The trend of online platform and electronical 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.

NOTE OF APPRECIATION

Needless to say, it was through the collective efforts of our staff and management that we were able to deliver on our corporate achievements during the course of the year. On behalf of the Board of Directors, I would like to commend and thank them for their tireless contributions.

Last but not least, on behalf of Incredible Holdings Limited, we would like to express my gratitude to all our shareholders for your unwavering support which has contributed greatly to our success so far. Together, let us look forward to continued success for Incredible Holdings Ltd.

Leung Kwok Kuen, Jacob
Independent Non-Executive Chairman,
Independent Director
Incredible Holdings Ltd.

Christian Kwok-Leun Yau Heilesen
Executive Director
Incredible Holdings Ltd.

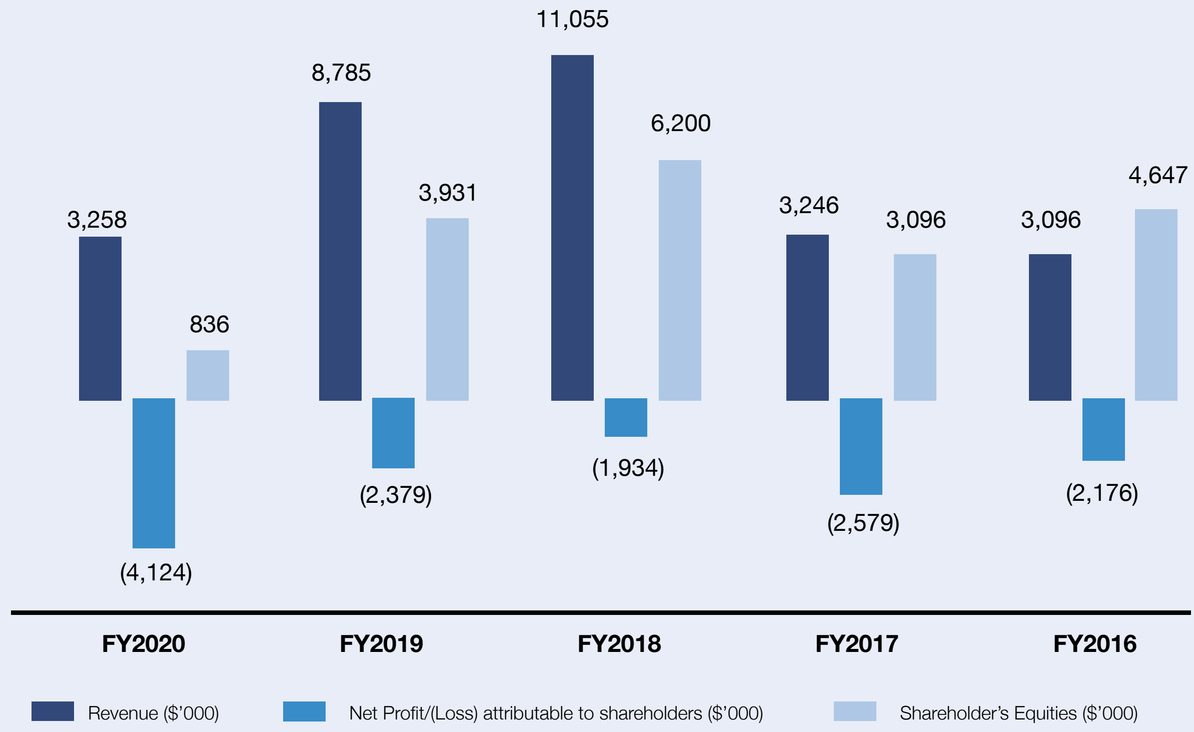
FIVE-YEAR FINANCIAL HIGHLIGHTS

Five Year's Performance

The Group	FY2016	FY2017	FY2018	FY2019	FY2020
For the Year					
Revenue ($'000)	3,096	3,246	11,055	8,785	3,258
Net Profit/(Loss) attributable to shareholders ($'000)	(2,176)	(2,579)	(1,934)	(2,379)	(4,124)
Earning/(loss) Per Shares (cents)	(9.22)	(2.40)	(0.78)	(0.79)	(1.38)
At Year End					
Shareholder's Equities ($'000)	4,647	3,096	6,200	3,931	836
Working Capital ($'000)	4,588	2,983	4,858	2,695	(183)
Cash & Cash Equivalent ($'000)	1,248	1,026	903	600	840
Net Assets Per Shares (cents)	19.71	2.88	0.52	1.31	0.28
Selected Financial Ratios					
Current Ratio	3.61	2.30	5.59	3.22	0.95
*Gearing Ratio	0.01	–	–	–	–

Note: *Interest Bearing Debts/Shareholder's Equities

Five Year's Performance



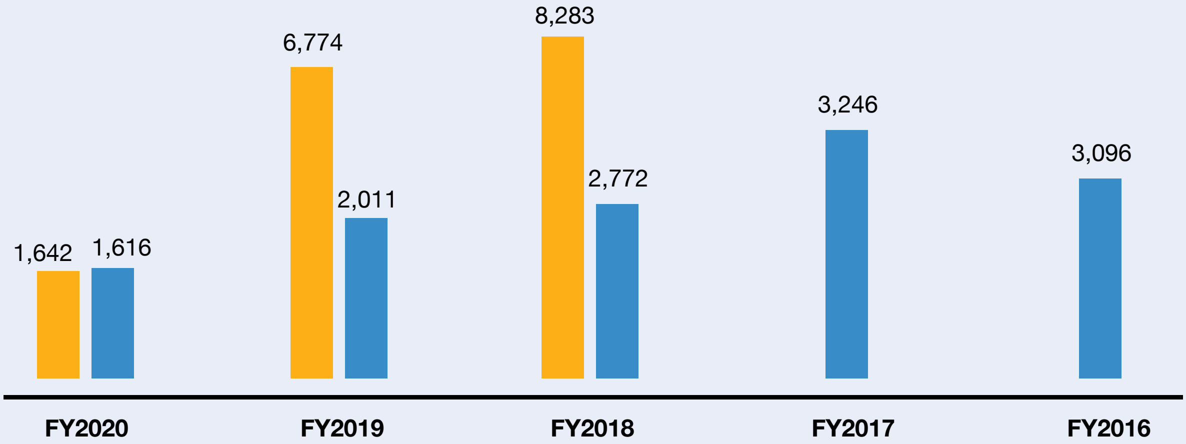
FIVE-YEAR FINANCIAL HIGHLIGHTS

Five Year's Performance for Different Business Segments

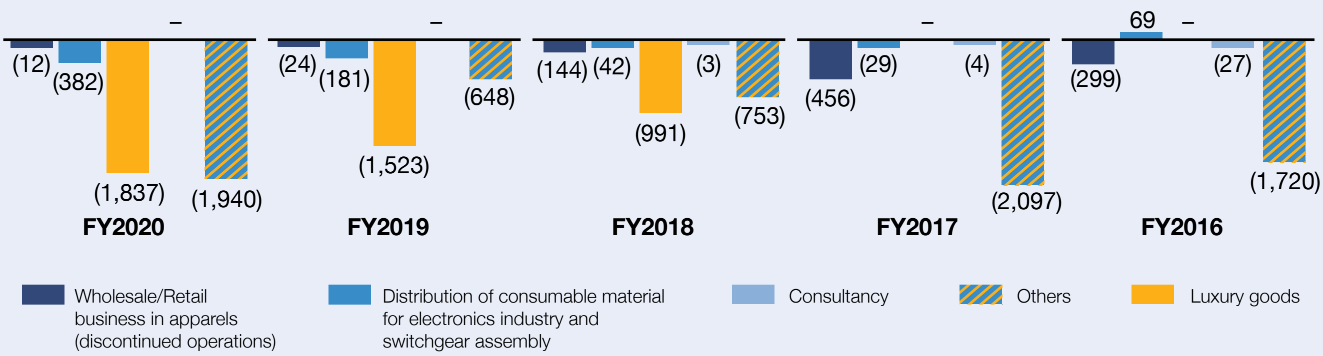
	FY2016	FY2017	FY2018	FY2019	FY2020
Revenue for Different Segment of Business ($'000):					
Wholesale/Retail business in apparels (discontinued operations)	–	–	–	–	–
Distribution of consumable material for electronics industry and switchgear assembly	3,096	3,246	2,772	2,011	1,616
Luxury goods	–	–	8,283	6,774	1,642
Consultancy	–	–	–	–	–
Others	–	–	–	–	–
Profit/(Loss) before Interest and Tax for Different Segment of Business ($'000):					
Wholesale/Retail business in apparels (discontinued operations)	(299)	(456)	(144)	(24)	(12)
Distribution of consumable material for electronics industry and switchgear assembly	69	(29)	(42)	(181)	(328)
Luxury goods	–	–	(991)	(1,523)	(1,837)
Consultancy	(27)	(4)	(3)	–	–
Others	(1,720)	(2,097)	(753)	(648)	(1,940)

Five Year's Performance for Different Business Segments

Revenue for Different Segment of Business ($'000)



Profit/(loss) before interest and tax for different Segments of Business ($'000)



DIRECTORS' PROFILE

MR CHRISTIAN KWOK-LEUN YAU HEILESEN

Executive Director

Christian Kwok-Leun Yau Heilesen was appointed as an executive director of Incredible Holdings Ltd. on 23 November 2015. Mr. Heilesen is an Internet entrepreneur and founded an internet and mobile value-added services company in August 2003. He discovered the potential of online business when he was working part-time after school in his hometown, Copenhagen, Denmark. In 1999, Mr. Heilesen started using his own network of high traffic websites to bring traffic to Fortune 500 advertisers through affiliate programs such as Commission Junction and Websponsors. After graduating from college in 2002, Mr. Heilesen decided to leave Copenhagen and to further develop online business opportunities in Hong Kong. Mr. Heilesen has 10 years of experience dealing with corporate finance, investment activities and banking facilities.

MR LEUNG KWOK KUEN JACOB

Independent Director

Mr. Leung Kwok Kuen Jacob was appointed Non-Executive and Non-Independent Director of Incredible Holdings Ltd. on 23 November 2015. Mr. Leung was redesignated as Independent Non-Executive Chairman of the Board on 15 March 2018. He is the Chairman of Remuneration and Nominating Committees of the Group. Mr. Leung has extensive experience in administrative management. From 2003 to April 2016, he assisted the incorporation of Eternal Peal Securities Limited ("Eternal Pearl") in Hong Kong, a licensed corporation to conduct type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the Securities and Futures Ordinance, Cap. 571 f the Laws of Hong Kong (the "SFO"). Since the incorporation of Eternal Pearl, Mr. Leung has been the Administrative Manager and responsible for overseeing its support operations, planning, organizing and implementing its administrative systems.

MS ZHOU JIA LIN

Non-Executive and Non-Independent Director

Ms. Zhou Jia Lin was appointed Non-Executive and Non-Independent Director of Incredible Holdings Ltd. on 26 October 2010. Having worked as a director of Pinnacle Investment Hong Kong from 1998 to 2002 where she first started, she later undertook corporate finance projects and assisted in looking for viable businesses to invest in. Her many years of involvement in investment businesses brought her to expand and diversify her existing investment portfolio into Incredible Group. In her investment portfolio, she has a wide network with corporate finance professionals, capital advisors and bankers exploring other potential tie-ups, acquisitions, investments and alternative investment opportunities both in China and overseas.

DIRECTORS' PROFILE

MS EUNICE VEON KOH PEI LEE

Independent Director

Ms. Eunice Veon Koh Pei Lee graduated from Royal Melbourne Institute of Technology with Bachelor of Economics & Finance in 2007, was appointed Independent Director on 7 September 2017. Ms. Eunice has experience of working in Global Payment Asia Pacific (S) Pte Ltd as business development executive and as equity dealer in various securities firms.

MR LEUNG YU TUNG STANLEY

Independent Director

Mr. Leung Yu Tung Stanley, a Chartered Accountant of Hong Kong Institute Certified Public Accountants and Association of Chartered Certified Accountants (ACCA), and graduated from the Hong Kong Polytechnic University with Bachelor of Arts (Hons) Accountancy in 2003 and Master of Professional Accounting in 2010, was appointed as Independent Director of Incredible Holdings Ltd. on 6 October 2017. He is the Chairman of Audit Committees of the Group. Mr. Leung has extensive audit and accounting experience.

MANAGEMENT PROFILE

MR CHAN KA KI

Chief Financial Officer, Incredible Holdings Ltd., Singapore

Mr. Chan Ka Ki was appointed as the Chief Financial Officer of Incredible Holdings Ltd. on 7 April 2014. He is responsible for the full spectrum of the financial and accounting functions of the Group. Mr. Chan has 16 years of financial management and reporting experience in Hong Kong and Malaysia. He was an Independent Director of a company listed in Malaysia. He graduated from Monash University, Australia with a Bachelor in Accounting and is a member of both Certified Practicing Accountants (Australia) and Hong Kong Institute of Certified Public Accountants.

MR CHOO TIAN WANG

Sales and Operations Manager,
Hi-Tech Distribution Pte Ltd

Mr. Choo Tian Wang was appointed General Manager of Hi-Tech Distribution Pte Ltd and Chemitec Industrial Pte Ltd effectively in 2014. He has more than 20 years' experience holding positions in sales and management in the electronic material business. Mr Choo graduated from the Singapore Polytechnic with a Diploma in Chemical Process Technology (Polymer) and he also holds a Diploma in Sales & Marketing from the Marketing Institute of Singapore.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Independent Chairman and Independent Director
Mr. Leung Kwok Kuen Jacob

Executive Director
Mr. Christian Kwok-Leun Yau Heilesen

Non-Executive Non-Independent Director
Ms. Zhou Jia Lin

Independent Director
Ms. Eunice Veon Koh Pei Lee

Independent Director
Mr. Leung Yu Tung Stanley

COMPANY SECRETARY

Foo Soon Soo

REGISTERED OFFICE

Harvest @ Woodlands
280 Woodlands Industrial Park E5
#10-50, Singapore 757322
Tel: (65) 62689565
Fax: (65) 62689735
Email: investors@incredible.sg

SHARE REGISTRAR

KCK Corpserve Pte Ltd
333, North Bridge Road, #08-00
KH KEA Building
Singapore 188721

AUDITORS

Baker Tilly TFW LLP
600 North Bridge Road,
#05-01 Parkview Square,
Singapore 188778
Partner-in-charge:
Mr. Chan Sek Wai
(Appointed on 6 March 2020)

SPONSOR

Hong Leong Finance Limited
16 Raffles Quay
#01-05 Hong Leong Building
Singapore 048581

BANKERS

United Overseas Bank Ltd
Overseas Chinese Banking Corporation
DBS Bank Ltd
Malayan Banking Berhad

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "**Board**") of Incredible Holdings Ltd. (the "**Company**") is committed to ensuring and maintaining a high standard of corporate governance within the Group. This report describes the corporate governance framework and practices of the Company with specific reference to the principles and guidelines set out in the 2018 Code of Corporate Governance (the "**Code**") and areas of non-compliance have been explained in the report.

BOARD CONDUCT OF ITS AFFAIRS

PRINCIPLE 1:
The company is headed by an effective Board which is collectively responsible and works with Management for the long term success of the company.

Role of Board of Directors

The Board's primary role is to protect and enhance long-term shareholders' value. It provides entrepreneurial leadership, sets the overall strategy for the Group and ensures that the necessary financial and human resources are in place for the Company to meet its objectives. The Board establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets, supervises the Management and review management performance and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group at all times as fiduciaries in the interests of the Company.

The Board's role includes identifying the key stakeholder groups and ensure transparency and accountability to the key stakeholder groups, and instilling an ethical corporate culture and ensure that the company's values, standards, policies and practices are consistent with the culture. The Board oversees the overall strategic plans including sustainability, environmental and social factors as part of its strategic formulation and financial objectives of the Group.

Directors' Duties and Responsibilities

All Directors discharge their duties and responsibilities objectively at all times as fiduciaries in the interest of the Group and exercise due diligence in dealing with the business affairs of the Group and are obliged to act in good faith in the interest of the Group. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Group. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Directors must understand the Group's businesses as well as their directorship duties (including their roles as executive, non-executive and independent directors). The Company has in place a process of induction, training and development for new and existing directors.

Orientation, briefings, updates and trainings for Directors in FY2020

The Company has in place an orientation process. A new incoming director is issued a formal letter of appointment setting out his duties and obligations. Incoming directors joining the Board will be briefed by the Nominating Committee on their directors' duties and obligations and be introduced to the Group's business and governance practices and arrangements, in particular the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive and trade-sensitive information.

The Company provides training and/or briefing for first-time director in areas such as accounting, legal and industry-specific knowledge as appropriate. The training of directors is arranged and funded by the Company.

CORPORATE GOVERNANCE STATEMENT

The incoming director will meet up with the senior management and the Company Secretary to familiarize himself with their roles, organization structure and business practices. This will enable him to get acquainted with senior management and the Company Secretary thereby facilitating board interaction and independent access to senior management and the Company Secretary.

The Directors are required and have each signed the respective undertaking in the form set out in Appendix 7H of the Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") ("Catalist Rules") to undertake to use their best endeavours to comply with the Catalist Rules and to procure that the Company shall so comply.

During the financial year reported on, the Directors had received updates on regulatory changes to the Catalist Rules, amendments to the Companies Act and the accounting standards. The Executive Director updates the Board at each Board meeting on business and strategic developments. The management highlights the salient issues as well as the risk management considerations for the entire business of the Group.

Reserved matters for Board's approval

Matters specifically reserved to the Board for its approval and clearly communicates this to Management in writing are:

- Issuing of shares
- Bank borrowing
- Material acquisitions or disposal of assets
- Approval of half-yearly and year-end results announcement and other public announcements
- Appointments of officers and persons related to CEO and executive director
- Establishment of Board Committees

Delegation by the Board

Board Committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Investment Committee ("**IC**") (hereinafter referred as "**Board Committees**") have been constituted to assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively. The Board Committees function within clearly defined terms of references and operating procedures which are reviewed on a regular basis. The effectiveness of each Board Committee is also constantly reviewed by the Board. Please refer to Principles 4 to 10 on the terms and reference and activities of the NC, RC and AC respectively.

There was no Investment Committee meeting held since FY2015. The following table discloses the number of Board and other Board Committee meetings and the attendance of Directors and Board Committee members for the financial year 2020:

	Board	Audit Committee	Remuneration Committee	Nominating Committee
No. of Meetings held during financial year ended 31 December 2020	2	2	1	1

Name of Directors	Number of Meetings Attended			
	Board	**Audit Committee**	**Remuneration Committee**	**Nominating Committee**
Mr Christian Kwok-Leun Yau Heilesen	2	–	–	–
Mr Leung Kwok Kuen Jacob	2	2	1	1
Ms Zhou Jia Lin	2	2	1	1
Ms Eunice Veon Koh Pei Lee	2	2*	1	1
Mr Stanley Leung Yu Tung	2	2	–	–

*** denotes attendance by Invitation**

CORPORATE GOVERNANCE STATEMENT

While the Board considers Directors' attendance at Board meetings to be important, it should not be the only criterion to measure their contributions. It also takes into account the contributions by Board members in other forms including periodical reviews and provision of guidance and advice on various matters relating to the Group. The minutes of the Board and Committee meetings will be circulated to all directors including those absent from the meeting and the absent director will be given opportunity to contribute their valuable feedback through email or conference call if required. The Board has noted that this arrangement is effective to assist the Board for making decision, and sufficient time and attention have been given by the Directors to the affairs of the Group.

Board's Access to Management, Company Secretary and external advisers

The Board has separate and independent access to senior management and the Company Secretary at all times. Management deals with requests for information from the Board promptly as needed to make informed decisions. The Board is informed of all material events and transactions as and when they occur.

Information provided included board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and quarterly internal financial statements and as and when requested by directors. In respect of budgets, any material variance between the projections and actual results are disclosed and explained by the CFO where appropriate.

The Company Secretary assists the Board to ensure that board procedures are followed and that the Company complies with all rules and regulations that are applicable to the Company.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as directors.

The role of the company secretary is to ensure that board procedures are followed and that applicable rules and regulations are complied with. Under the direction of the Chairman, the company secretary's responsibilities include ensuring good information flows within the Board and its board committees and, advising the Board on all corporate governance matters as well as facilitating orientation and assisting with professional development as required. The company secretary or her representative attends all board meetings.

The appointment of the company secretary is a matter for the Board's approval as a whole and the resignation of the company secretary is for noting by the Board.

BOARD COMPOSITION AND GUIDANCE

PRINCIPLE 2:
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company

Board Composition

The Board of Directors currently comprises five directors, three of whom are Independent Directors. The Board members are:

Mr Leung Kwok Kuen Jacob	(Independent Non-Executive Chairman and Independent Director)
Mr Stanley Leung Yu Tung	(Independent Director)
Ms Zhou Jia Lin	(Non-Executive and Non-Independent Director)
Mr Christian Kwok-Leun Yau Heilesen	(Executive Director)
Ms Eunice Veon Koh Pei Lee	(Independent Director)

As there are three Independent Directors among five on the Board, the requirement of the Catalist Rule 406(3)(c) that at least one-third of the Board be comprised of independent directors is satisfied.

CORPORATE GOVERNANCE STATEMENT

The Non-Executive Directors (including the Independent Directors) make up a majority of the Board in compliance with Provision 2.3 of the Code.

The Board examines its size to satisfy that it is an appropriate size for effective decision making, taking into account the nature and scope of the Company's operations. The Company recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of the Board's performance, and in supporting the Company's strategic objectives and sustainable development. The NC has adopted a board diversity policy which takes into account relevant measurable objectives such as skills, management experience, gender, age, ethnicity and other relevant factors. The Board has two female members adding gender to the Board's diversity of background, experience and expertise. The current composition of the Board provides an appropriate balance and diversity of skills, experience and knowledge of the Company, and other aspects of diversity such as age (38 to 56 years) and length of tenure (6 year to approximately 11 years), so as to avoid groupthink and foster constructive debate, contributing to improved risk management and more robust decision-making for the strategic future of the Company. The Board comprises Directors with diverse backgrounds who as a group, possess the core competencies, such as accounting or finance, business or management experience, strategic planning experience and information technology, required for the Board to be effective in all aspects of its roles to facilitate decision-making that is in the best interest of the Company. In identifying candidates for appointment to the Board, the range of diversity perspectives mentioned above will be taken into account. The Directors bring to the Board their related experience, knowledge and also provide guidance in the various Board Committees, that is, the AC, RC, NC and IC.

The NC remains committed to implementing the board diversity policy and any progress made towards the implementation of the board diversity policy will be reported to the Board on an annual basis and disclosed in future annual reports, as appropriate.

Independent Directors

The criterion for independence is based on the definition given in the Code and the Catalist Rules. The Code has defined an "independent director" as one as one who is independent in conduct, character and judgement and who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to in the best interests of the Company. Under the Catalist Rules, an independent director is not one who is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or not one who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.

The Independent Directors, Mr Leung Kwok Kuen Jacob, Ms Eunice Veon Koh Pei Lee and Mr Stanley Leung Yu Tung have confirmed their independence and they do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgment. They have also confirmed their independence in accordance with the Catalist Rules. The NC is of the view that Mr Leung Kwok Kuen Jacob, Ms Eunice Veon Koh Pei Lee and Mr Stanley Leung Yu Tung have engaged the Board in constructive discussion, their contributions are relevant and reasoned, and they have exercised independent judgment without dominating the Board discussions. The NC has reviewed and considered them to be independent. While none of the Independent Directors have served on the Board for a period exceeding nine years from the date of their first appointments, nonetheless the NC will review succession plans for directors and will seek to refresh the Board in an orderly manner as and when it deems appropriate. Mr Leung Kwok Kuen Jacob and Ms Eunice Veon Koh Pei Lee have each abstained from the NC's deliberation and decision on their independence.

Role of Non-Executive Directors

During the year reported, the Non-Executive Directors (which include the Independent Directors) constructively challenge and help develop both the Group's short-term and long-term business strategies. Management's progress and performance in implementing such agreed business strategies are monitored by the Non-Executive Directors.

CORPORATE GOVERNANCE STATEMENT

The Non-Executive Directors and Independent Directors communicate among themselves without the presence of Management as and when the need arises, and thereafter where appropriate, they provide inputs to the Board. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board committee meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PRINCIPLE 3:
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Separate Role of Chairman and Chief Executive Officer

The Company does not have a Chief Executive Officer. The Company tasked its sole Executive Director, Mr Christian Kwok-Leun Yau Heilesen to oversee the day-to–day management of the Company and the Group's affairs. The functions of Independent Non-Executive Chairman and the Executive Director are assumed by two (2) individuals. As the Company has a separate Independent Non-Executive Chairman and an Executive Director, there is a balance of power and authority, increased accountability and greater capacity of the Board. The roles of Independent Non-Executive Chairman and Executive Director are separate and they are not related. Mr Leung Kwok Kuen Jacob as Independent Non-Executive Chairman, is primarily responsible for overseeing the overall management and strategic development of the Company.

His responsibilities include:

- leading the Board to ensure its effectiveness on all aspects of its role;
- Chairing meetings on key strategic development and investment plans;
- Ensuring regular meetings (with the assistance of the Company Secretary) to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- Preparing meeting agenda (in consultation with the Executive Director and CFO) and set the agenda to ensure that adequate time is available for discussion of all agenda items, particularly strategic issues**;**
- Promoting a culture of openness and debate at the Board's level;
- Ensuring that the directors receive complete, adequate and timely information;
- Ensuring the Company is in compliance with the Code;
- Reviewing board papers that are presented to the Board;
- Ensuring effective communication with shareholders;
- Encouraging constructive relations within the Board and between the Board and Management;
- Facilitating the effective contribution of non-executive directors in particular; and
- Promoting high standards of corporate governance.

In assuming his roles and responsibilities, as Mr Leung Kwok Kuen Jacob consults with the Board, AC, NC, RC and IC on major issues in the future time and as such, the Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

The Executive Director, Mr Christian Kwok-Leun Yau is responsible for the day-to-day management of business, developing and managing the business development strategies, establishing new business opportunities for growth and expansion. He reports to the Board and ensures that policies and strategies adopted by the Board are implemented.

The Code requires the appointment of a Lead Independent Director if the Chairman is conflicted. The Company does not have a Lead Independent Director as the Chairman is an Independent Director, and together with the other Independent Directors individually and collectively are available to shareholders where they have concerns in which contact through the normal channels of the Management and Executive Directors has failed to resolve or is inappropriate.

CORPORATE GOVERNANCE STATEMENT

BOARD MEMBERSHIP

PRINCIPLE 4:
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board

Nominating Committee

The NC comprises the following members, the majority of whom including the Chairman are independent: -

Mr Leung Kwok Kuen Jacob	(Chairman and Independent Director)
Ms Eunice Veon Koh Pei Lee	(Member and Independent Director)
Ms Zhou Jia Lin	(Member and Non-Executive Non-Independent Director)

The functions of the NC are as follows: -

a. to make recommendations to the Board on all board appointments and re-nominations having regard to the director's contribution and performance (eg. attendance, preparedness, participation, candour and any other salient factors);

b. to ensure that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;

c. to determine annually whether a Director is independent, in accordance with the independence guidelines contained in the Code;

d. to decide whether a Director is able to carry and has adequately carried out his duties as a Director of the Company, in particular, where the Director concerned has multiple board representations;

e. to decide how the Board's performance may be evaluated and to propose objective performance criteria;

f. to review the succession plans for directors, particularly, the Independent Non-Executive Chairman of the Board, the CEO/ Executive Director and key management personnel;

g. to review training and professional development programs for the Board; and

h. to recommend for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual Director to the Board, in order for the Board to undertake a formal annual assessment of the performance of the Board as a whole, each board committee and each individual Director

Selection, Appointment and Re-appointment of directors

The Company has in place the policy and procedures for the appointment of new directors, including the search and nomination process. The search for a suitable candidate could be drawn from contacts and the network of existing Directors. The NC can approach relevant institutions such as the Singapore Institute of Directors, professional organisations or business federations to source for a suitable candidate.

The NC will deliberate and propose the background, skills, qualification and experience of the candidate it deems appropriate. The factors taken into consideration by the NC could include, among other things, whether the new director can add to or complement the mix of skills and qualifications in the existing Board, relevance of his experience and contributions to the business of the Company and the depth and breadth he could bring to Board discussions.

CORPORATE GOVERNANCE STATEMENT

New directors will be appointed by way of a Board resolution, after the NC makes the necessary recommendation to the Board. New directors joining the Board would receive a formal appointment letter setting out their duties and obligations, be briefed by the NC on their directors' duties and obligations and introduced to the Group's business and governance practice and, particularly, the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Group, prohibitions on dealings in the Company's securities and restrictions on the disclosure of price-sensitive and trade sensitive information.

The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company

The Constitution of the Company requires one-third of the Board to retire from office at each annual general meeting. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years.

Pursuant to the Constitution of the Company, Mr Leung Kwok Kuen Jacob ("Ms Leung") and Ms Zhou Jia Lin ("Ms Zhou") will retire by rotation at the forthcoming annual general meeting and are eligible for re-election. The NC has recommended to the Board, the re-election of Mr Leung and Ms Zhou at the forthcoming Annual General Meeting ("AGM").

In making recommendation for the purpose of re-nomination of these Directors, the NC has taken into consideration these Directors' contribution and performance. The Board has accepted the NC's recommendation.

Determining Directors' Independence

Annually, the Directors submit declarations on their independence to the NC for assessment. The NC reviews the independence of each Director annually, and as and when circumstances require, in accordance with the requirements of the Catalist Rules and the provisions of the Code, and also taking into account the guidance in the relevant Practice Guidance. A Director is considered independent if he is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment in the best interests of the Company. Each member of the NC and the Board abstained from the NC's and the Board's deliberations in respect of his own independence assessment.

Multiple Board Representations

The NC had considered and the Board had concurred that it would not be appropriate to set a limit on the number of directorships that a Director may hold because directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities. It is for each Director to personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively. The company discloses in its annual report the listed company directorships and principal commitment of each director. A safeguard is the annual review by the NC of each Director's time commitment and performance and assessment whether each Director has discharged his duties adequately.

CORPORATE GOVERNANCE STATEMENT

				Directorships in other listed companies	
Name of Director	**Appointment**	**Date of first appointment**	**Date of last re-election**	**Current**	**Past three (3) years**
Christian Kwok-Leun Yau Heilesen	Executive Director	23 November 2015	30 April 2019	Nil	Nil
Leung Kwok Kuen Jacob	Independent Non-Executive Chairman	23 November 2015	27 April 2018	Nil	Nil
Zhou Jia Lin	Non-Executive and Non-Independent Director	26 October 2010	30 April 2019	Nil	Nil
Eunice Veon Koh Pei Lee	Independent Director	7 September 2017	29 June 2020	Nil	Nil
Leung Yu Tung Stanley	Independent Director	6 October 2017	29 June 2020	Echo International Holdings Group Limited	Nil

Alternate Director

The Company does not have any Alternate Director.

CORPORATE GOVERNANCE STATEMENT

Key Information of Directors to be re-elected

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Directors to be re-elected as set out in Appendix 7F of the Catalist Rules is disclosed below:

Name of Director	Jacob Leung Kwok Kuen	Zhou Jia Lin
Date of Appointment	23 November 2015	26 October 2010
Date of last re-appointment	27 April 2018	30 April 2019
Age	56	49
Country of principal residence	Hong Kong	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria and the search and nomination process	The re-election of Mr Leung as the Independent Non-Executive Chairman was recommended by the NC and the Board has accepted the recommendation, after taking into consideration the qualifications, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Ms Zhou as the Non-Executive and Non-Independent Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications, past experience and overall contribution since she was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Chairman, Nominating Committee Chairman, Remuneration Committee Chairman, Audit Committee member and Investment Committee member	Non-Executive and Non-Independent Director, Nominating Committee member, Remuneration Committee member, Audit Committee member and Investment Committee member
Professional qualifications	Graduated from high school	Graduated from high school
Working experience and occupation(s) during the past 10 years	2003 – October 2017 – Eternal Pearl Securities Limited – Administrative Manager	2003 – Present – Individual investor
Shareholding interest in the listed issuer and its subsidiaries	None	None
Any relationship (including immediate family relationship) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None

CORPORATE GOVERNANCE STATEMENT

Other Principal Commitments including Directorships		
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Past (for the last 5 years)	1. Industronics Berhad 2. Echo International Holdings Group Limited 3. Itronics Management Limited 4. Ademco (Malaysia) Sdn Bhd 5. Industrial Electronics Pte Ltd 6. Sukitronics Sdn Bhd	1. Echo International Holdings Group Limited
Present	1. Industronics Technology Limited 2. Brilliant Communications Technology Company Limited 3. Chiu Foods Limited 4. Strong System Limited 5. Empire Top Limited 6. Itronic Services Limited 7. Eternal Pearl Immigration Consultant Service Limited	Nil
Information required pursuant to Catalist Rules 704(6) and/or 704(7)		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	None	None
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	None	None
(c) Whether there is any unsatisfied judgment against him?	None	None

CORPORATE GOVERNANCE STATEMENT

(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	None	None
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	None	None
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	None	None
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	None	None
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	None	None
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	None	None

CORPORATE GOVERNANCE STATEMENT

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
(i) any corporation Which has been Investigated for a breach of any law or Regulatory requirement governing corporations in Singapore or elsewhere; or	None	None
(ii) any entity (not being a corporation) Which has been investigated for a breach of any law or Regulatory requirement governing such entities in Singapore or elsewhere; or	None	None
(iii) any business trust which has been Investigated for a breach of any law or Regulatory requirement governing business trusts in Singapore or elsewhere; or	None	None
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	None	None
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes. (1) A tax claim by Inland Revenue of HKSAR in 2009. Case closed on 13 August 2009 after settlement. (2) On 15 October 2019, Bursa Malaysia Securities publicly reprimanded and fined Leung Kwok Kuen Jacob for the breach of the paragraph 8.23(2)(a)(i) of the Bursa Malaysia Securities Main Market Listing Requirement. The case remains open as the fine is pending payment. As a result of this, he applied to Echo International Holdings Group Limited for a suspension from all his duties on 31 December 2019. He ceased to be a director of Echo International Holdings Group Limited on 31 March 2020.	None

CORPORATE GOVERNANCE STATEMENT

BOARD PERFORMANCE

PRINCIPLE 5
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors

Board Performance

Each year, the Directors are to complete evaluation forms to assess the overall effectiveness of the Board and the Board Committees, as well as conduct a self-assessment. The results of the evaluation exercise were considered by the NC, which then made recommendations to the Board, aimed at assisting the Board to discharge its duties more effectively.

In assessing the Board's effectiveness, the NC considers a number of factors, including the discharge of the Board's functions, access to information, Directors' participation at board meetings and communication and guidance given by the Board to top management.

In evaluating the Board's performance, the NC implements an assessment process that requires each Director to submit an assessment form of the performance of the Board as a whole during the financial year under review. This assessment process takes into account, inter alia, performance indicators such as promotion of governance, leadership role, development of strategy, oversight of risk, Board process, Board accountability, communication with Management and standard of conduct. The results of the assessment exercise were reviewed by the NC and the NC also considered the contribution by each director towards the achievement of the Board for each of the performance indicator.

The Board Committees are assessed on the work they perform in accordance with their terms of reference and the objectivity and independence in their deliberations and recommendations they presented to the Board.

The contribution of each individual Director to the effectiveness of the Board and Board Committees, where the individual director sits on Board Committee(s) is assessed individually and reviewed by the NC Chairman. The assessment criteria include, inter alia, commitment of time, knowledge and abilities, teamwork, overall effectiveness. The NC's evaluation is shared with the Board and the Chairman would act on the results of the performance evaluation, and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.

The NC has reviewed the overall performance of the Board and Board Committees in terms of each role and responsibilities and the conduct of individual Directors' performance individually and contribution to the Board and Board Committees as the case may be for FY2020 and is of the view that the performance of the Board as a whole, the Board Committees and each individual Director, has been satisfactory. Although some of the Board members have multiple board representations, the NC is satisfied that sufficient time and attention has been given to the Group by these Directors.

No external facilitator was used in the process to conduct the evaluations.

REMUNERATION MATTERS

PRINCIPLE 6:
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

LEVEL AND MIX OF REMUNERATION

PRINCIPLE 7:
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company

CORPORATE GOVERNANCE STATEMENT

Remuneration Committee

The RC comprises three directors, the majority of whom, including its Chairman, are non-executive and independent.

Mr Leung Kwok Kuen Jacob	(Chairman and Independent Director)
Ms Eunice Veon Koh Pei Lee	(Member and Independent Director)
Ms Zhou Jia Lin	(Member, Non-Independent and Non-Executive Director)

The RC will have access to expert advice in the field of executive compensation outside the Company when required. For FY2020, the Company has not engaged any remuneration consultant.

The RC's role is to review and approve recommendations on remuneration policies and packages for the Directors and key management personnel. The review will cover all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonus, options, termination terms and benefits in kind. The RC's recommendations are made in consultation with the Independent Non-Executive Chairman of the Board and submitted for endorsement by the entire Board. No Director is involved in deciding his own remuneration.

Remuneration Matters

Executive Director and Key Management Personnel

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the sole Executive Director and key management personnel commensurate with their responsibility and performance and that of the Company, giving due regard to the financial and business needs of the Group. The Company recognises that a significant and appropriate proportion of executive directors' and key management personnel's remuneration should be structured so as to link rewards to corporate and individual performance, and such performance-related remuneration should be aligned with the interests of shareholders and promote the long-term success of the company.

In addition, in discharging its functions, the RC may obtain independent external professional advice as it deems necessary and the cost of which will be borne by the Company. The Company did not engage any consultant or external professional advice to discharge its function in FY2020.

Each member of the RC shall abstain from voting on any resolutions in respect of his or her own remuneration package. Long-term incentive schemes are generally encouraged for executive directors and key management personnel. The RC may review whether the Executive Director and key management personnel should be eligible for benefits under long-term incentive schemes. The costs and benefits of long-term incentive schemes should be carefully evaluated. In normal circumstances, offers of shares or grants of options or other forms of deferred remuneration should vest over a period of time. The use of vesting schedules, whereby only a portion of the benefits can be exercised each year, is also strongly encouraged. The Executive Director and key management personnel should be encouraged to hold their shares beyond the vesting period, subject to the need to finance any cost of acquiring the shares and associated tax liability. Currently, the Company has a share-based compensation scheme named Incredible Holdings Performance Share Plan (formerly known as Vashion Performance Share Plan) (the "PSP") was approved by the shareholders at an extraordinary general meeting held on 6 September 2017. The RC administers the PSP in accordance with the rules of the PSP. There have been no shares issued since the commencement of the PSP.

The Board concurred with the RC that the proposed Directors' fees for the year ended 31 December 2020 is appropriate and that the independent directors receive directors' fee in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors. The remuneration is also appropriate to attract, retain and motivate the directors to provide good stewardship of the company, and key management personnel to successfully manage the company for long term.

The Company does not have any share-based compensation schemes or any long-term scheme involving the offer of shares in place to encourage Independent Directors to hold shares in the Company. However, the RC may consider implementing the schemes that encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors.

CORPORATE GOVERNANCE STATEMENT

In setting remuneration packages, the Company has taken into consideration of pay and employment conditions within the industry and in comparable companies. Currently, the remuneration of the Executive Director and key management personnel comprise a basic salary based on the performance of the Group and their individual performance.

Companies are encouraged to consider the use of contractual provisions to allow the company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the company. However, having taken into consideration that there is no variable incentive components to the remuneration of the Executive Director and the key management personnel, the RC is of the view that there is no requirement to institute the abovementioned contractual provisions.

In setting remuneration packages, the company will take into consideration of pay and employment conditions within the industry and in comparable companies.

Non-Executive Directors

The RC has recommended a fixed fee for Non-Executive Directors, taking into account the effort, time spent and responsibilities of each Non-Executive Director. The Board concurred with the RC that the proposed Directors' fees for the year ended 31 December 2020 are appropriate and that the Independent Directors receive Directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors. The Company recognizes the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised. The fee of Non-Executive Directors will be subjected to shareholders' approval at the Annual General Meeting.

Remuneration Matters

DISCLOSURE ON REMUNERATION

PRINCIPLE 8:
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation

A breakdown showing the level and mix of each Director's and key executives remuneration paid and payable for Financial Year 2020 is as follows:

Name of Director	Salary (S$)	Bonus (S$)	Other Benefits (S$)	Directors' Fee (S$)	Total (S$)
Ms Zhou Jia Lin	73,118	–	–	30,000	103,118
Mr Christian Kwok-Leun Yau Heilesen	338,178	–	279,927	–	618,105
Mr Leung Kwok Kuen Jacob	–	–	–	30,000	30,000
Ms Eunice Veon Koh Pei Lee	–	–	–	30,000	30,000
Mr Leung Yu Tung Stanley	–	–	–	30,000	30,000

Name of Top Executives	Salary %	Bonus %	Other Benefits* %	Total %	Total Remuneration in Compensation Bands of $250,000
Mr Chan Ka Ki, Chief Financial Officer	100	–	–	100	<$250,000
Mr Choo Tian Wang, General Manager	100	–	–	100	<$250,000

*Other benefits refer to housing allowance and defined contribution plans.

The Company has only two key management executives for FY2020. In aggregate, the total remuneration paid to them in financial year ended 31 December 2020 was S$271,823.

The Board, after weighing the advantages and disadvantages of such disclosure, is of the view that full disclosure of the actual remuneration of each key management personnel pursuant to Provision 6.1 of the Code would not be in the interests of the Company as such information is confidential and sensitive in nature, and can be exploited by competitors.

Employees who are substantial shareholders or immediate family members of a substantial shareholder, Directors or the chief executive officer

During FY2020, there were two (2) employees who were immediate family members of the Executive Director whose remuneration exceeded S$100,000.

Mr Henrick Yau Kwok Hang Heilesen is the brother of the Executive Director and Ms Siu Yik Tung is the spouse of the Executive Director. The remuneration of Mr Henrick Yau Kwok Hang Heilesen fell within the band of S$200,001 to S$300,000 and Ms Siu Yik Tung fell within the band of S$100,001 to S$200,000.

The Company does not have a CEO. Save as disclosed, there is no other employee who is a substantial shareholder or immediate family members of the Directors whose remuneration exceed S$100,000 for FY2020.

In setting the remuneration packages of the Executive Directors and officers, the Company takes into account of the contribution of the Executive Directors and officers to the group and that is aligned with long term interest and risk policies of the Group.

Performance Share Plan

Incredible Holdings Performance Share Plan (the “PSP”) was approved by the shareholders at an extraordinary general meeting held on 6 September 2017. The RC administers the PSP in accordance with the rules of the PSP.

The PSP, which forms an integral component of the Company’s compensation plan, is designed to reward and retain eligible participants whose services are vital to the well-being and success of the Company. It provides eligible participants who have contributed to the success and development of the Company with an opportunity to participate, and also increases the dedication and loyalty of these participants and motivates them to perform better. No employees had met the performance criteria for FY2020.

Under the rules of the PSP, Executive Directors and Non-Executive Directors (including Independent Directors) and employees of the Group, who are also controlling shareholders are eligible to participate in the PSP.

CORPORATE GOVERNANCE STATEMENT

The total number of performance shares which may be issued pursuant to awards granted under the PSP, when aggregated with the aggregate number of shares, and all other share based incentive scheme of the Company, shall not exceed fifteen per cent (15%) of the issued shares of the Company (excluding any shares held in treasury) on the day preceding the award date.

The PSP shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

There have been no shares issued since the commencement of the PSP.

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 9:
The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives

PRINCIPLE 10
The Board has an Audit Committee which discharges its duties objectively

Risk Management

The Board determines the Company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems.

The AC oversees the Group's risk management process, through reviewing the adequacy and effectiveness of the risk management policy, practices and strategies. It also has oversight of key risk exposures and will in turn report to the Board of Directors on all risk matters. As the oversight of risk vests with the AC, the Board does not see the need to form a separate risk management committee comprising AC members.

The Group and the Company do not hold or issue derivative financial instruments for trading purposes or hedge against fluctuation in interest rates and foreign exchange rates. The steps taken by the Group to manage its exposure to financial risk are set out in the Financial Report on pages 90 to 99 of the Notes to the Financial Statements.

At the management level, the Group Risk Management Committee ("GRMC"), chaired by the Executive Director and comprising the management reports to the AC annually or more frequently as needed. The GRMC highlights significant risk issues, both existing and emerging, for discussion with the AC and the Board, taking into account the immediate operating environment and the next half-year operation.

Annually, the Board reviews the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. These reviews are carried out internally or with the assistance of internal auditors appointed during the financial year just ended.

For the financial year ended 31 December 2020, the Board has received assurance from the Executive Director and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and from the Executive Director and the Chief Financial Officer who are responsible that the company's risk management and internal control systems are adequate and effective.

The Group has implemented a stringent cost and cash flow management and all expenses would be approved by the top management and monthly cash flow forecast for next twelve months would be circulated to the Board for monitoring and necessary actions.

CORPORATE GOVERNANCE STATEMENT

Internal Audit and Internal Controls

The Group has outsourced its internal audit function to Virtus Assure Pte. Ltd. ("**Virtus**"), a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. Virtus was set up in the year 2005 and currently maintains an outsourced internal audit portfolio of SGX-ST listed companies in various industries. The engagement team comprises two certified internal audit directors with one of them having more than 30 years of internal audit experience, a manager and a senior internal auditor. The AC decides on the hiring, removal, evaluation and compensation of the internal auditor ("IA"). Virtus has confirmed their independence as internal auditor to the Board.

The IA plan their audit schedules in consultation with, but independent of, the management. The IA plan is submitted to the AC for approval prior to implementation. The AC reviews the activities of the IA, and meets with the internal auditor to approve their plans and to review their report for the prior reporting period.

The IA will report their audit findings and recommendations directly to the Chairman of the AC. The IA has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

The AC is of the opinion that the key financial, operational, compliance and information technology risks of the Group have been reduced materially, the revised system of internal controls recommended by Virtus have adequately addressed the key financial, operational, compliance and information technology risks of the Group.

Based on the Group's existing management controls in place, the internal control policies and procedures established and maintained by the Group, as well as the reviews performed by the external and internal auditors, the Board, is of the view that the internal control systems of the Group, addressing the financial, operational and compliance, information technology risks and risk management system are adequate and effective as at 31 December 2020. The AC concurred with the Board.

The AC may commission an independent audit on internal controls and risk management systems for its assurance, or where it is not satisfied with the systems of internal control controls and risk management.

The AC, having considered and assessed the suitability, adequacy of resources and experience of Virtus, is satisfied that the appointment of Virtus would assist and not compromise the standard and effectiveness of the internal audit of the Company.

The AC is of the view that the IA function being conducted by Virtus is staffed with persons with relevant qualifications and experience. IA has carried out its function according to the Standard for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The AC is satisfied that the internal audit function is independent, effective and adequately resourced.

Audit Committee (AC)

The AC comprises three Non-Executive Directors, the majority of whom are independent. The members of the AC are:

Mr Stanley Leung Yu Tung	(Chairman and Independent Director)
Mr Leung Kwok Kuen Jacob	(Member and Independent Director)
Ms Zhou Jia Lin	(Member, Non-Independent and Non-Executive Director)

The Chairman of the AC is Mr Stanley Leung Yu Tung, a member of Hong Kong Institute of Certified Public Accountant. Mr Leung Kwok Kuen Jacob has extensive experience in administrative management. Ms Zhou Jia Lin has 16 years of management and investment experience. The Board is of the view that the members of the AC are appropriately qualified, having accounting or related financial and management expertise or experience as the Board interprets such qualification, to discharge their responsibilities.

CORPORATE GOVERNANCE STATEMENT

The role and functions of the AC are specified in the Companies Act, Cap 50 and is guided by the AC's Terms of Reference adopted by the Board, which are as follows:-

a. review annually with the external auditors the scope, audit plan, their evaluation of the system of internal accounting controls, their audit report, the independence and objectivity, their management letter and the management's response;

b. review and report to the Board at least annually on the scope, independence, adequacy and effectiveness of the results of the external audit and the Group's internal controls, risk management system and internal audit function, including financial, operational, compliance and information technology controls and review the assurance from the CEO and the CFO on the financial records and financial statements;

c. review the interim and annual financial statements, announcements and balance sheets and income statements before submission to the Board for its approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with Financial Reporting Standards as well as compliance with any stock exchange and statutory regulatory requirements;

d. ensure co-ordination between the external auditors and the management, review the assistance given by management to the auditors and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary);

e. review and discuss with the external auditors and at appropriate times, report the matter to the board and to the sponsor when there is any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

f. consider the appointment or re-appointment of the external auditors, the audit fee, terms of engagement and matters relating to the resignation or dismissal of the auditors;

g. the AC shall meet with the external auditors and internal auditor without the presence of the Company's management at least once a year;

h. Review transactions falling within the scope of the Audit Committee Charter in respect of Interested Person Transactions and the Catalist Rules;

i. undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

j. ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

k. review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and

l. generally undertake such other functions and duties as may be required under the Audit Committee Charter, by statute or the Catalist Rules, and by such amendments made thereto from time to time.

Where the external auditors, in their review or audit of the Company's year-end financial statements, raise any significant issues which have a material impact on the interim financial statements or financial updates previously announced by the company, the AC should bring this to the Board's attention immediately.

CORPORATE GOVERNANCE STATEMENT

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The Board is satisfied that the members of the AC have recent and relevant accounting or related financial management expertise or experience to discharge the AC's functions. The AC is kept abreast by the Management and the external auditors of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation and the AC does not have any financial interest in the auditing firm or auditing corporation.

The Company confirms that it has complied with Catalist Rules 712 and 715. The Company's external auditor Baker Tilly TFW LLP, registered with the Accounting and Corporate Regulatory Authority, is the external auditor of the Company and all of its Singapore subsidiaries. The Company also engaged Baker Tilly Hong Kong Limited, registered with the Hong Kong Institute of Certified Public Accountants, as the external auditors of all Hong Kong subsidiaries.

The audit fees to external auditors in 2020 were S$77,919 and the non-audit service rendered by external auditors were S$6,400. The AC has reviewed the nature and extent of the services rendered by the external auditors for the financial year ended 31 December 2020 and is satisfied that the independence of the external auditors have not been impaired.

To keep abreast of the changes in accounting standards and issues which have a direct impact on financial statements, discussions are held with the External Auditors when they attend the AC meetings every half yearly. The AC members were encouraged to attend external courses conducted by relevant professional institutes as and when deemed necessary or upon request.

The AC meets with both the internal and external auditors without the presence of the Management at least once a year.

The AC has recommended to the Board of Directors that the external auditors, Baker Tilly TFW LLP be nominated for re-appointment as auditors at the forthcoming AGM of the Company.

For the purpose of Rules 715 to 717, a subsidiary or associated company is considered significant if its net tangible assets represent 20% or more of the issuer's consolidated net tangible assets, or its pre-tax profits account for 20% or more of the issuer's consolidated pre-tax profits.

The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The Company has in place a whistle-blowing framework where staff of the Company can access the AC Chairman to raise concerns about improprieties.

Employees are free to bring complaints in confidence to the attention of their supervisors. The recipient of such complaints shall forward them promptly to the AC Chairman. The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Following investigation and evaluation of a complaint, the AC Chairman shall report to the AC on recommended disciplinary or remedial action, if any. The action determined by the AC to be appropriated shall then be brought to the Board or to appropriate members of senior management for authorization and implementation respectively. An employee can access the AC Chairman directly to raise concern if he feels that it could not be effectively addressed at managerial level.

The policy is communicated to all employees as part of the Group's efforts to promote awareness of fraud control.

CORPORATE GOVERNANCE STATEMENT

Investment Committee (IC)

The IC was formed on 17 October 2013 which comprises the following members: -

Mr Stanley Leung Yu Tung	(Chairman and Independent Director)
Mr Leung Kwok Kuen Jacob	(Member and Independent Director)
Ms Zhou Jia Lin	(Members and Non-Executive and Non-Independent Director)
Mr Christian Kwok-Leun Yau Heilesen	(Member and Executive Director)
Ms Eunice Veon Koh Pei Lee	(Members and Independent Director)

The principal objectives of IC are, among others:

Fund raising:

– To determine the Group's cash flow and funding needs and work with the finance department to ensure that those needs can be met by cash flows derived from operations and/or fundraising activities.

– To formulate fund raising proposals for the consideration of the Board.

– To lead and supervise fund raising actions approved by the Board, including appointment and instructing of professionals, liaising with regulatory authorities, and ensuring that fund raising actions achieve the objectives and within budgetary limits set out by the Board.

Investments:

– To determine the Group's risk tolerance and investment time horizon in consultation with the Board.

– To formulate and from time to time review the investment objectives, policies and guidelines and investment risk management.

– To evaluate, review and concur with all major investment projects including restructuring or disposals or sale of the Group's key assets.

– To review the annual investments proposal of the Group.

– To evaluate any significant capital commitment and divestment by the Group.

– To evaluate the professional evaluation system set up by the Group, including three major components: effectiveness of the evaluating organization and professionals, completeness of the evaluation procedures and the appropriateness of the evaluation standard.

SHAREHOLDERS' RIGHTS AND CONDUCT OF GENERAL MEETINGS

PRINCIPLE 11
The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects

CORPORATE GOVERNANCE STATEMENT

ENGAGEMENT WITH SHAREHOLDERS

PRINCIPLE 12
The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company

Providing Opportunity for Shareholders to Participate and Vote at General Meetings

The Company's corporate governance culture and awareness promotes fair and equitable treatment of all shareholders. All shareholders enjoy specific rights under the Singapore's Companies Act, Chapter 50, and the constitution of the Company. All shareholders are treated fairly and equitably.

The Company respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure.

Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated. The Company does not provide for absentia voting methods such as by mail, email, or fax due to concerns as to the integrity of such information and authentication of the identity of shareholders voting by such means. However, the Company's Constitution allows a member (other than a relevant intermediary as defined in Section 181 of the Companies Act) to appoint one or two proxies to attend and vote at its general meetings in his absence. The Companies Act allows relevant intermediaries which include CPF Approved Nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF Approved Nominees' proxies.

At the general meetings of the Company, shareholders are given the opportunity to air their views and ask Directors questions regarding the Group. Shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The general meetings are the principal forum for dialogue with shareholders to gather views or inputs, and address shareholders' concerns.

In 2020, the Company held one annual general meeting and two extraordinary general meetings. Members of the Board including the chairpersons of each of the Board Committees were present at the meeting to address shareholders' queries to address shareholders' queries.

The Directors, including chairpersons of each of the Board Committees are present at the general meetings to answer questions from the shareholders. The external auditor is also present to assist the Directors in addressing any relevant queries by shareholders. The attendance of the Directors for the general meetings in 2020 is as follows:

Meetings	Annual General Meeting held on 29 June 2020	Extraordinary General Meeting held on 6 March 2020	Extraordinary General Meeting held on 9 November 2020
Leung Kwok Kuen Jacob	1	1	1
Christian Kwok-Leun Yau Heilesen	1	– (1)	1
Zhou Jia Lin	1	– (1)	1
Stanley Leung Yu Tung	1	– (1)	1
Eunice Veon Koh Pei Lee	1	1	1

Director absence in the general meeting was due to work commitments.

CORPORATE GOVERNANCE STATEMENT

The Company ensures that there are separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions. The Company will put all resolutions to vote by poll at the forthcoming annual general meeting compliance with the Catalist Rules.

The Company would prepare minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. The minutes will be taken and published in the Company's corporate website at www.incredible.sg as soon as practicable.

Generally, at general meetings of the Company, the shareholders are given an opportunity to air their views and ask questions regarding the Company and the Group. However, due to the COVID-19 restrictions and advisories issued by the relevant authorities in Singapore and the related safe distancing measures in Singapore that were in effect at the relevant time, the annual general meeting of the Company held in respect of FY2019 was held on 29 June 2020 by way of electronic means and shareholders were not able to attend the annual general meeting in person physically. Shareholders who wished to raise any matters at the annual general meeting were allowed to submit such matters or any questions related to the annual general meeting in advance to the Company. The forthcoming annual general meeting of the Company to be held in respect of FY2020 will be held by way of electronic means, and similar alternative arrangements will be put in place to allow the shareholders to submit any matters or questions related to the annual general meeting in advance.

Investor relations

The Board is mindful of its obligations to provide timely and full disclosure of material information to shareholders of the Company and conduct its investor relations on the following principles:

a. annual reports issued to all shareholders;

b. half and full-year results announcements on the SGXNET;

c. other announcements and any matters it deem pertinent which would likely to have a material effect on the price or value of the Company's shares on the SGXNET;

d. operate an open policy with regard to investor/email enquiries.

e. no selective disclosure of information.

In addition, the Company's website allows shareholders and investors to have access to information on the Group including the Company's announcements made to the SGX-ST and the contact email at investors@incredible.sg. The Company will respond to queries and feedback received from shareholders and investors.

Dividend Policy

The Company does not have a policy on payment of dividends. The issue of payment of dividends is deliberated by the Board annually, having regards to various factors including its cash flow, general business conditions and strategies, current and future operations, statutory, contractual and regulatory restrictions as the Board deems appropriate. The Company did not declare dividend for the financial year ended 31 December 2020 due to the losses incurred during the financial year.

ENGAGEMENT WITH STAKEHOLDERS

PRINCIPLE 13
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served

CORPORATE GOVERNANCE STATEMENT

The Group's material stakeholders are its shareholders, customers, employees, business partners and the community and the Company engages with them through its sustainability initiatives and corporate social responsibility programmes as set out in its Sustainability Report for FY2019 published on SGXNET on 26 May 2020. Please see below some information extracted from Sustainability Report for FY2019:

Sustainability reporting has become a key component for listed companies to promote transparency on their sustainable business practices in relation to the economic, environmental, social and governance ("EESG") topics. The following EESG topics have been identified and the approaches of managing these topics are stated in its Sustainability Report for FY2019:

1. Whistle Blowing and Anti-Corruption (Economic: GRI 205-3);
2. Waste Management (Environmental GRI 306-2); and
3. Product Information and Labeling (Social GRI 417-1)

For details, please see full version of Sustainability Report for FY2019 published on SGXNET on 26 May 2020.

The Company will issue its next Sustainability Report in May 2021.

The Company maintains a corporate website at www.incredible.sg where stakeholders can access information on the Group. The website provides, inter alia, corporate announcements, and profiles of the Group.

Material Contracts

There were material contracts entered into by the Company or any of its subsidiaries involving the interest of the Independent Non-Executive Chairman and Executive Director, any other Director, or controlling shareholder, either still subsisting at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year.

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").

The term of the repayment of Mission Well Loan and Go Best Loan:

(i) in S$ to the bank account of Mission Well/Go Best and/or;

(ii) the set off of all or any part of the outstanding sums under the Mission Well Loan Agreement or Go Best Loan Agreement against the consideration payable by Mission Well or Go Best for the subscription of such number of new shares as Mission Well or Go Best may be entitled to, pursuant to any rights issue undertaken by the Company as announced on 23 September 2020.

Pursuant to Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. Given that the Mission Well Loan and the Go Best Loan are not interest bearing, there is no value at risk and the entry into the Mission Well Loan Agreement and the Go Best Loan Agreement does not trigger an obligation under Rule 905 and 906 of the Catalist Rules.

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").

CORPORATE GOVERNANCE STATEMENT

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, there were no other material contracts entered into by the Company or any of its subsidiaries involving the interest of the Independent Non-Executive Chairman and Executive Director, any other Director, or controlling shareholder, either still subsisting at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year.

Interested Person Transactions

The Company has an internal policy in respect of any transactions with interested person and has in place a process to review and approve any interested person transaction.

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 Catalist ("Catalist Rules"). The rental is HK$40,000 per month from 3 July 2020 to 2 July 2021. The total rental for the period in FY2020 was HK$240,000 or equivalent to approximately S$43,000.

Save as disclosed above, there were no interested person transactions entered into by the Group exceeding S$100,000 during the financial year ended 31 December 2020.

The Company does not have a general mandate pursuant to Rule 920 of the Catalist Rules for interested person transactions.

Non-Audit Fees

The external audit fees for financial year ended 31 December 2020 payable by the Group to the Company's external auditors are S$77,919. The non-audit fees rendered by the external auditors to the Company and the Group for the financial year ended 31 December 2020 were S$6,400. There were no audit or non-audit fees paid to previous external auditors during the financial year.

Non-Sponsor Fees

There was no non-sponsor fee to Hong Leong Finance Limited, being the Sponsor, during the financial year ended 31 December 2020.

Securities Transactions

In line with Rule 1204(19) of the Rules of Catalist on Dealing in Securities, the Company has adopted its own compliance code to provide guidance to its officers with regards to dealing by the Company and its officer in its securities. The Company and its officers (1) should not deal in shares of the Company on short-term considerations or if they are in possession of unpublished material price-sensitive information; and (2) they are required to report on their dealings in shares of the Company. The Company and its officers are also reminded of the prohibition in dealing in shares of the Company one month before the announcement of the Company's half year and full year financial statements.

CORPORATE GOVERNANCE STATEMENT

Utilisation of the 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 annual report, the Company has utilized the net proceeds from Rights Issue as follows:

Use of proceeds	Allocation as per the Offer Information Statement		Amount utilized	Percentage utilized	Balance
	%	S$'000	S$'000	%	S$'000
Funding the Financing Business	10	567	–	–	567
New Acquisitions	10	567	–	–	567
Expansion of the Luxury Goods Business	50	2,837	2,793	49.23	44
For general corporate and working capital purpose	30	1,702	757	13.34	945
Total	100	5,673	3,550	62.57	2,123

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 annual report, no Warrants have been exercised.

An aggregate amount of S$757 thousand had been used for general working capital and the principal disbursements are set below:

	(S$'000)
Professional fees	286
Website development expenses	160
Director fee	123
Others (included payroll, bank charges and other operating expenses)	188
Total	757

DIRECTORS' STATEMENT

31 December 2020

The directors hereby present their statement to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 46 to 103 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS (I)"); and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are:

Christian Kwok-Leun Yau Heilesen	(Executive Director)
Zhou Jia Lin	(Non-executive and Non-independent Director)
Leung Kwok Kuen Jacob	(Independent Non-executive Chairman)
Leung Yu Tung Stanley	(Independent Director)
Eunice Veon Koh Pei Lee	(Independent Director)

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

	Shareholdings in which a director is deemed to have an interest	
	At 1.1.2020	At 31.12.2020
Name of directors		
The Company		
Christian Kwok-Leun Yau Heilesen		
- Ordinary shares	89,923,456	89,923,456
- Warrants	43,284,890	43,284,890

DIRECTORS' STATEMENT

31 December 2020

Directors' interest in shares or debentures (cont'd)

The director, Christian Kwok-Leun Yau Heilesen, by virtue of section 7 of the Companies Act is deemed to have an interest in the shares held by the Company in its wholly-owned subsidiaries.

The directors' interest in the ordinary shares and share options of the Company as at 21 January 2021 were the same as those as at 31 December 2020.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Performance Share Plan

The Company has the Incredible Performance Share Plan ("Incredible PSP"). The Incredible PSP was approved and adopted by the shareholders on 6 September 2017. The purpose of the Incredible PSP is to reward, retain and motivate employees, directors, controlling shareholders and their associates to improve their performance. In line with this, the Company believes that the Incredible PSP will strengthen the overall effectiveness of performance based compensation schemes. The Incredible PSP allows the Company to award fully-paid shares to deserving participants.

The Remuneration Committee of the Company administrating the Incredible PSP are as follows:

Leung Kwok Kuen Jacob	(Chairman and Independent Director)
Eunice Veon Koh Pei Lee	(Member and Independent Director)
Zhou Jia Lin	(Member, Non-Independent and Non-Executive Director)

The following persons are eligible to participate in the Incredible PSP at the absolute discretion of the Remuneration Committee:

(a) Group employees (including any Group Executive Director) who, as of the date on which the share granted under the Incredible PSP ("Award Date"), have attained the age of 21 years and hold such rank as may be designated by the Remuneration Committee from time to time and who have, as of the Award Date, been in full time employment of the Group for a period of at least 12 months (or in the case of any Group Executive Director, such shorter period as the Remuneration Committee may determine), provided that none shall be an undischarged bankrupt as at the Award Date.

(b) Non-Executive Directors (including Independent Directors) who, in the opinion of the Remuneration Committee, have contributed or will contribute to the success of the Group.

(c) persons who are qualified under (a) and (b) above and who are also controlling shareholders or Associates of controlling shareholders.

Other salient information relating to the Incredible PSP is set out below:

– Directors and employees of the Company's associated company and the Company's parent company and its subsidiaries (other than the Company and the Company's subsidiaries) are not entitled to participate in the Incredible PSP.

DIRECTORS' STATEMENT

31 December 2020

Performance Share Plan (cont'd)

Other salient information relating to the Incredible PSP is set out below (cont'd):

– controlling shareholders and associates of controlling shareholders are eligible to participate in the Incredible PSP provided that the participation of and the actual number of performance shares ("Performance Shares") to be issued and the terms of any Award to be granted to each of them shall be approved by independent shareholders in separate resolutions for each such person (provided always that it shall not be necessary to obtain the approval of the independent shareholders of the Company for the participation in the Incredible PSP of a controlling shareholder or his associate who is, at the relevant time, already a Participant) subject to the following:

  (a) the aggregate number of Performance Shares available to controlling shareholders and Associates of controlling shareholders shall not exceed 25% of the total number of Performance Shares which may be granted under the Incredible PSP; and

  (b) the number of Performance Shares available to each controlling shareholder or Associate of controlling shareholder shall not exceed 10% of the total number of shares which may be granted under the Incredible PSP.

– The total number of Performance Shares which may be issued pursuant to Awards granted under the Incredible PSP, when aggregated with the aggregate number of Shares, over which options are granted under any other share option schemes of the Company, shall not exceed fifteen per cent (15%) of the issued Shares of the Company (excluding any Shares held in treasury) on the day preceding the Award Date.

– The Incredible PSP shall be valid and effective for a period of 10 years from the date of adoption until 5 September 2027.

There were no Performance Shares awarded, vested, lapsed or cancelled since the commencement of Incredible PSP until 31 December 2020.

Audit Committee

The Audit Committee comprises three members, two of whom are independent directors. The members of the Audit Committee during the year and at the date of this statement are:

Leung Yu Tung Stanley (Chairman)
Leung Kwok Kuen Jacob
Zhou Jia Lin

The Audit Committee carried out its function in accordance with Section 201B(5) of the Singapore Companies Act. Their functions are detailed in the Report on Corporate Governance.

In performing its functions, the Audit Committee met with the Company's independent and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control systems.

The Audit Committee also reviewed the following:

- assistance provided by the Company's management to the internal and independent auditors;
- quarterly financial information and annual financial statement of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

DIRECTORS' STATEMENT

31 December 2020

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Christian Kwok-Leun Yau Heilesen Director	Leung Kwok Kuen Jacob Director

14 April 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Incredible Holdings Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Incredible Holdings Ltd. (the "Company") and its subsidiaries (the "Group") as set out on pages 46 to 103, which comprise the statements of financial position of the Group and of the Company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(i) Estimation of loss allowance for amount due from an associated company

Description of key audit matter:

We refer to Note 2 for the relevant accounting policies; Note 3.3 on critical accounting judgements and key sources of estimation uncertainty and Notes 18 and 25(b) for the breakdown of amount due from an associated company and credit risk disclosures of the Group. As at 31 December 2020, the Group has amount due from an associated company of $1,170,900, net of allowance for impairment losses of $500,000, which represented approximately 27% of the Group's total assets.

Management determines the ECL for amount due from an associated company by applying the general approach under SFRS(I) 9. Management has assessed that there is a significant increase in the credit risk for amount due from an associated company since initial recognition, and therefore measured ECL on a lifetime basis to the outstanding balances as at year end. The assessment considered the probability of default, loss given default and forward-looking information such as forecast of future economic conditions with consideration of the impact of COVID-19 pandemic and how these conditions will affect management's ECL assessment.

The measurement of allowance for ECL for amount due from an associated company is considered to be a key audit matter as it requires management to exercise judgement and make assumptions with respect to past events, current conditions and forecasts of future economic conditions as disclosed in Notes 3.3 and 25(b) to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of Incredible Holdings Ltd.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

(i) Estimation of loss allowance for amount due from an associated company (cont'd)

Our audit procedures and response include:

- Obtained an understanding of the Group's credit monitoring process.
- Evaluated management's judgement and assumptions applied in the ECL model such as assessment of the significant changes in credit risk since initial recognition, probability of default, loss given default and adjustment for forward-looking information, including the assessment of the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment.
- Checked the arithmetic accuracy of management's computation of ECL.
- Reviewed the adequacy of disclosures in the financial statements.

(ii) Impairment of intangible asset

Description of key audit matter:

We refer to Note 2 for the relevant accounting policies; Note 3.5 on critical accounting judgements and key sources of estimation uncertainty and Note 14 for the intangible assets. As at 31 December 2020, the Group's intangible assets amounted to $948,564 which pertains to costs incurred for the development of website and represented approximately 22% of the Group's total assets.

This is identified as a key audit matter as impairment assessment of the intangible asset involved significant estimates and judgements with respect to number of subscribers, subscription price, expected operational costs and discount rate applied in forecasting and discounting future cash flows. These estimates and judgements may be affected by unexpected changes in future market or economic conditions or discount rates applied

Our audit procedures and response include:

- Re-computed the capitalised costs by checking to the progress report provided by the vendor as at the end of the financial year.
- Obtained the Group's value in use assessment for the intangible asset, evaluated the key assumptions and estimations of number of subscribers, subscription price, expected operational costs and discount rate by comparing the number of subscribers, average subscription price and cost structure applied in management's cash flow forecast to various competitors of similar nature. We also engaged our internal valuation expert to evaluate the reasonableness of the discount rate used.
- Performed sensitivity analysis of the key estimates on the impairment assessment.
- Reviewed the adequacy of disclosures relating to the impairment of intangible assets made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the members of Incredible Holdings Ltd.

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

To the members of Incredible Holdings Ltd.

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Sek Wai.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

14 April 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	Group 2020 $	Group 2019 $
Continuing operations			
Revenue	4	**3,257,850**	8,780,734
Cost of sales		**(2,877,415)**	(8,239,401)
Gross profit		**380,435**	541,333
Other operating income	5	**169,611**	5,773
Allowance for impairment on amount due from an associated company	18	**(500,000)**	–
Selling and distribution expenses		**(227,725)**	(232,124)
Administrative expenses		**(2,709,033)**	(2,384,086)
Other operating expenses	7	**(380,732)**	(123,853)
Finance costs	8	**(6,322)**	(2,651)
Share of results of an associated company	16	**(54,208)**	(154,518)
Loss before tax	9	**(3,327,974)**	(2,350,126)
Tax expense	10	**–**	–
Loss from continuing operations		**(3,327,974)**	(2,350,126)
Loss from discontinued operations	11(i)	**(795,811)**	(29,002)
Loss for the year		**(4,123,785)**	(2,379,128)
Other comprehensive income/(loss):			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences on consolidation		**203,336**	74,994
Currency translation differences arising from translation of financial statements of foreign associated company		**(12,589)**	35,706
Reclassification of currency translation reserve to profit or loss upon disposal of subsidiaries and associated company		**837,689**	–
Other comprehensive income for the year, net of tax		**1,028,436**	110,700
Total comprehensive loss for the year attributable to owners of the Company		**(3,095,349)**	(2,268,428)
Loss per share for the year attributable to owners of the Company			
From continuing and discontinued operations			
Basic (cents)	12	**(1.38)**	(0.79)
Diluted (cents)	12	**(1.38)**	(0.79)
From continuing operations			
Basic (cents)	12	**(1.11)**	(0.78)
Diluted (cents)	12	**(1.11)**	(0.78)
From discontinued operations			
Basic (cents)	12	**(0.27)**	(0.01)
Diluted (cents)	12	**(0.27)**	(0.01)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group 2020 $	Group 2019 $	Company 2020 $	Company 2019 $
ASSETS					
Non-current assets					
Plant and equipment	13	**113,357**	136,912	**17,998**	35,986
Investments in subsidiaries	15	**–**	–	**1,614**	1,303,014
Investments in associated companies	16	**–**	1,162,097	**817**	1,100,817
Intangible assets	14	**948,564**	–	**948,564**	–
Total non-current assets		**1,061,921**	1,299,009	**968,993**	2,439,817
Current assets					
Inventories	17	**519,984**	776,496	**–**	–
Trade and other receivables	18	**1,982,382**	2,482,243	**1,838,874**	1,769,502
Cash and cash equivalents		**839,963**	599,876	**22,122**	13,378
		3,342,329	3,858,615	**1,860,996**	1,782,880
Disposal group assets classified as held for sale	11	**–**	50,295	**–**	–
Total current assets		**3,342,329**	3,908,910	**1,860,996**	1,782,880
Total assets		**4,404,250**	5,207,919	**2,829,989**	4,222,697
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	**38,852,217**	38,852,217	**38,852,217**	38,852,217
Foreign currency translation reserve	21	**(517,868)**	(685,498)	**–**	–
Accumulated losses		**(37,498,327)**	(33,374,542)	**(39,123,181)**	(35,693,646)
Reserve of disposal group classified as held for sale	11	**–**	(860,806)	**–**	–
Total equity/(deficit)		**836,022**	3,931,371	**(270,964)**	3,158,571
Non-current liabilities					
Trade and other payables	22	**–**	–	**–**	17,428
Lease liabilities	23	**42,462**	62,302	**–**	–
		42,462	62,302	**–**	17,428
Current liabilities					
Trade and other payables	22	**3,461,362**	1,034,665	**3,100,953**	1,046,698
Lease liabilities	23	**64,404**	64,291	**–**	–
		3,525,766	1,098,956	**3,100,953**	1,046,698
Liabilities directly associated with disposal group classified held for sale	11	**–**	115,290	**–**	–
Total current liabilities		**3,525,766**	1,214,246	**3,100,953**	1,046,698
Total liabilities		**3,568,228**	1,276,548	**3,100,953**	1,064,126
Total equity and liabilities		**4,404,250**	5,207,919	**2,829,989**	4,222,697

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	Share capital $	Foreign currency translation reserve $	Reserve attributable to disposal group classified as held for sale $	Accumulated losses $	Total equity $
Group					
Balance at 1 January 2020	38,852,217	(685,498)	(860,806)	(33,374,542)	3,931,371
Loss for the year	–	–	–	(4,123,785)	(4,123,785)
Other comprehensive income					
Currency translation differences on consolidation	–	203,336	–	–	203,336
Currency translation differences arising from translation of financial statements of foreign associated company	–	(12,589)	–	–	(12,589)
Currency translation differences reclassified to profit or loss upon disposal of foreign subsidiaries and an associated company	–	(23,117)	860,806	–	837,689
Other comprehensive income for the year, net of tax	–	167,630	860,806	–	1,028,436
Total comprehensive income/ (loss) for the year	–	167,630	860,806	(4,123,785)	(3,095,349)
Balance at 31 December 2020	**38,852,217**	**(517,868)**	**–**	**(37,498,327)**	**836,022**
Balance at 1 January 2019	38,852,217	(1,657,004)	–	(30,995,414)	6,199,799
Loss for the year	–	–	–	(2,379,128)	(2,379,128)
Other comprehensive income					
Currency translation differences on consolidation	–	74,994	–	–	74,994
Currency translation differences arising from translation of financial statements of foreign associated company	–	35,706	–	–	35,706
Other comprehensive income for the year, net of tax	–	110,700	–	–	110,700
Total comprehensive income/ (loss) for the year	–	110,700	–	(2,379,128)	(2,268,428)
Reserve attributable to disposal group classified as held for sale	–	860,806	(860,806)	–	–
Balance at 31 December 2019	38,852,217	(685,498)	(860,806)	(33,374,542)	3,931,371

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	Share capital $	Accumulated losses $	Total equity $
Company			
Balance at 1 January 2020	38,852,217	(35,693,646)	3,158,571
Loss and total comprehensive loss for the year	–	(3,429,535)	(3,429,535)
Balance at 31 December 2020	**38,852,217**	**(39,123,181)**	**(270,964)**
Balance at 1 January 2019	38,852,217	(35,185,376)	3,666,841
Loss and total comprehensive loss for the year	–	(508,270)	(508,270)
Balance at 31 December 2019	38,852,217	(35,693,646)	3,158,571

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	Group 2020 $	Group 2019 $
Cash flows from operating activities			
Loss before tax from continuing operations		**(3,327,974)**	(2,350,126)
Loss before tax from discontinued operations		**(795,811)**	(29,002)
Total loss before tax		**(4,123,785)**	(2,379,128)
Adjustments for:			
Depreciation of plant and equipment		**78,110**	85,166
Loss on disposal of investment in subsidiaries	11(i)	**781,624**	–
Gain on disposal of investment in an associated company	16	**(26,416)**	–
Write down of inventories		**153,790**	–
Write off of other receivables	7	**–**	1,023
Allowance for impairment on amount due from an associated company	18	**500,000**	–
Write off of amount due from an associated company	7	**–**	1,267
Unrealised exchange losses		**73,323**	88,338
Share of loss of an associate company	16	**54,208**	154,518
Interest expense		**6,322**	2,651
Operating cash flows before movement in working capital		**(2,502,824)**	(2,046,165)
Changes in working capital:			
Inventories		**102,722**	1,573,361
Trade and other receivables		**390,114**	152,972
Trade and other payables		**252,009**	(41,938)
Currency translation adjustments		**156,477**	–
Cash used in operations		**(1,601,502)**	(361,770)
Interest paid		**(60)**	(96)
Income tax paid		**–**	(4,500)
Net cash used in operating activities		**(1,601,562)**	(366,366)
Cash flows from investing activities			
Purchase of plant and equipment	13	**(1,650)**	(15,919)
Purchase of intangible asset (Note A)		**(1,260,814)**	–
Net cash outflow due to disposal of subsidiary	15	**(2,168)**	–
Net cash inflow from disposal of an associated company	16	**1,100,000**	–
Net cash used in investing activities		**(164,632)**	(15,919)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	Group 2020 $	Group 2019 $
Cash flows from financing activities			
Advances from a director	22	**421,513**	140,288
Repayment to a director	22	**(536,216)**	–
Interest paid on lease liabilities	23	**(6,262)**	(2,555)
Repayments of lease liabilities	23	**(60,470)**	(64,177)
Loan from shareholders	22	**2,215,032**	–
Rights issue expenses		**(31,000)**	–
Net cash generated from financing activities		**2,002,597**	73,556
Net increase/(decrease) in cash and cash equivalents		**236,403**	(308,729)
Cash and cash equivalents at beginning of financial year		**605,945**	903,009
Effect of exchange rate changes on cash and cash equivalents		**(2,385)**	11,665
Cash and cash equivalents at end of financial year		**839,963**	605,945

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

	Note	2020 $	2019 $
Cash and cash equivalents			
- Continuing operations		**839,963**	599,876
- Discontinued operations	11	**–**	6,069
Cash and cash equivalents per consolidated statement of cash flows		**839,963**	605,945

	2020 $
Note A: Purchase of intangible asset	
Aggregate cost of intangible asset (Note 14)	**948,564**
Add: Prepayments at 31 December (Note 18(i))	**312,250**
Net cash outflow for cost of intangible assets	**1,260,814**

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

The Company (Co. Reg. No. 199906220H) is incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of its registered office is Harvest @ Woodlands 280 Woodlands Industrial Park E5 #10-50, Singapore 757322.

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 subsidiaries and associated companies are shown in Notes 15 and 16 to the financial statements, respectively.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements are expressed in Singapore dollar ("$"), which is the Company's functional currency. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the Company's separate statement of profit or loss and other comprehensive income is not presented.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 3 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

New and revised standards

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

During the financial year, the Group has elected to early adopt the amendment to FRS 116: COVID-19 - Related Rent Concessions which provided practical relief for lessees in accounting for rent concessions. Under the practical expedient, the lessees are not required to assess whether a rent concession is a lease modification and instead are permitted to account for them as if they were not lease modifications, if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all leases. As a result of applying the practical expedient, rent concessions of $7,675 was recognised as other operating income in the profit or loss during the year. The amendment has no impact on retained earnings at 1 January 2020.

New or revised SFRS(I) and SFRS(I) INT issued at the reporting date but not yet effective

At the end of the reporting period, the following SFRS(I) and SFRS(I) INT were issued, revised or amended but not effective and which the Group has not early adopted:

Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
SFRS(I) 17: Insurance Contracts
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
Amendments to SFRS(I) 3: Reference to the Conceptual Framework
Amendments to SFRS(I) 1-16: Property, Plant and Equipment - Proceeds before Intended Use
Amendments to SFRS(I) 1-37: Onerous Contracts - Cost of Fulfilling a Contract
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: Interest Rate Benchmark Reform - Phase 2
Amendments to SFRS(I) 4: Extension of the Temporary Exemption from Applying SFRS(I) 9
Annual Improvements to SFRS(I)s 2018 - 2020
Amendments to SFRS(I) 17

The Group anticipates that the adoption of these SFRS(I) and SFRS(I) INT (where applicable) in future periods will have no material impact on the financial statements of the Company and the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

2.2 Revenue recognition

Sale of goods

Revenue is recognised at a point in time when the Group satisfies a performance obligation by transferring the promised goods to the customer, which is when the customer obtains control of the goods upon delivery. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. No element of financing is deemed present as the sales are made with the credit term of 30 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The Group does not provide right of return or warranty to its customers and hence, there is no refund liability or provision for warranty made.

Revenue from services

The Group provides electrical switch box design and assembly services. Such services are recognised at a point in time when the Group satisfies a performance obligation by rendering the services to the customer, which is when the customer obtains benefits of the service. Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for rendering the services to the customer, excluding amounts collected on behalf of third parties. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and plant and equipment, are eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

When a change in the Company's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

2.5 Associated companies

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more but not exceeding 50% of the voting power of another entity.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Distributions received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

2.5 Associated companies (cont'd)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with an associate of the Group, unrealised gains are eliminated to the extent of the Group's interest in relevant associate. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred.

In the Company's financial statements, investments in associated companies are carried at cost less accumulated impairment loss. On disposal of investments in associated companies, the differences between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.6 Plant and equipment and depreciation

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of plant and equipment initially recognised includes its purchase price, and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to write off the cost of all plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Renovations	5
Computer and office equipment	3 - 5
Plants and machineries	5
Motor vehicles	5 - 10
Furniture and fixtures	3 - 5

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2 Summary of significant accounting policies (cont'd)

2.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired is their fair values as at the date of acquisition. Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Website development cost

Costs directly attributable to the development of website are capitalised as intangible assets only when technical feasibility of the website is demonstrated, the Group has an intention and ability to complete and use the website and the costs can be measured reliably. Such costs include purchases of material and services, payroll related costs of employees directly involved in the development of the website. These costs are amortised using the straight-line method over their estimated useful lives of 5 years.

Membership rights

Acquired club membership is stated at cost less accumulated impairment loss. The club membership is assessed as having indefinite useful lives as the contracts are open ended and there is no foreseeable limit to the period over which the memberships are expected to generate cash to the Group. The club membership is tested for impairment annually in accordance with the accounting policy in Note 2.8. Gains or losses on disposal of a club membership are taken to profit or loss.

2.8 Impairment of non-financial assets

At the end of each reporting period, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs, other direct costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.10 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liabilities are presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

2.10 Leases (cont'd)

When a Group entity is the lessee (cont'd)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The estimated useful lives are as follows:

	Years
Office units	1 to 3
Office equipment	3 to 5

The right-of use assets are presented within "Plant and equipment" in the statements of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.8.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has not applied this practical expedient.

2.11 Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

2.11 Income taxes (cont'd)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

2.12 Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets at amortised cost.

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

Debt instruments

Debt instruments include cash and cash equivalents, trade and other receivables (excluding prepayments and deferred expenses). The Group's debt instruments are measured as follows:

<u>*Amortised cost*</u>

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

2.12 Financial assets (cont'd)

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statements of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Cash and cash equivalents in the consolidated statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprises of cash on hand and bank balances with financial institutions which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.14 Financial liabilities

Financial liabilities include trade and other payables. Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

2.15 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.16 Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

2.17 Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds are recognised in the profit or loss using the effective interest method.

2.18 Employee benefits

Defined contribution plans

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain overseas subsidiaries have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the entity in an independently administered fund. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee.

Employee leave entitlement

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

Share-based compensation

The Group grants performance bonus shares which is settled by granting ordinary shares of the Company to award directors/employees. The fair value of the director/employee services received in exchange for the grant of the performance bonus shares is recognised as an expense with a corresponding increase in the performance bonus share reserve when the vesting condition is achieved. The total amount to be recognised when the vesting condition is achieved is determined by reference to the fair value of the performance bonus shares granted on the date of grant. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the performance bonus share reserve. No expense is recognised for performance bonus shares that do not ultimately vest.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

2.18 Employee benefits (cont'd)

Share-based compensation (cont'd)

When the Company settles the performance bonus shares for the services received by its subsidiaries, there is no re-charge by the Company to the subsidiaries. The amount is recognised as an increase in the Company's investments in subsidiaries as it represented capital contribution to the subsidiaries.

When the performance bonus shares are issued, the related balance previously recognised in the performance bonus share reserve is credited to the share capital account when new ordinary shares of the Company are issued.

2.19 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the foreign currency translation reserve within equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in the foreign currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

2.20 Dividend

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

2.21 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

2.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

2.23 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

The assets are not depreciated or amortised while they are classified as held for sale.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and;

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3 Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the preceding paragraphs).

3.1 Going concern assumption

For the financial year ended 31 December 2020, the Group incurred a total loss of $4,123,785 (2019: $2,379,128) and a total comprehensive loss of $3,095,349 (2019: $2,268,428), and net cash used in operating activities of $1,601,562 (2019: $366,366). In addition, the Group and the Company also reported net current liabilities of $183,437 and $1,239,957 respectively, and the Company reported net liabilities of $270,964 as at 31 December 2020.

The Group reported net assets of $836,022 (2019: $3,931,371) as at the end of the financial year. The outbreak of the COVID-19 pandemic and the measures adopted by the Singapore and Hong Kong Government to mitigate the spread of the virus have negatively impacted the Group's financial performance during the financial year and also its liquidity position.

Management continues to have a reasonable expectation that the Group has adequate resources to continue its operation for at least the next 12 months from the date of the authorisation of the financial statements and that the going concern basis of preparation of these financial statements remains appropriate after taking into consideration the following factors:

(i) In January 2021, the Group had drawn down the remaining shareholder loans facility amounting to $7.20 million;

(ii) On 1 February 2021, the Group has completed the rights issue exercise of which included a capitalisation of shareholder loans of $9.41 million (Note 22 Note A). Net proceeds received from the rights issue amounting to $5.67 million has been received on 4 February 2021 (Note 29); and

(iii) Management will continue to evaluate various strategies to obtain alternative sources of finance and diversification of the Group's business activities, monitor relevant operational costs of the Group closely and seek to improve the operating performance and cash flows of the Group.

Based on the above factors, the financial statements have been prepared on a going concern basis.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3.2 Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The Group primarily estimates the net realisable value based on the subsequent selling price and provides for obsolete inventories based on related pricing, estimated future demand and inventories expiration date.

In determining the obsolete inventories, the Group considers recent sales activities, ageing analysis and expiration date of the inventories. Factors beyond its control, such as future demand levels, technological advances could change from period to period.

In general, such an evaluation process requires significant judgement and its results may materially affect the carrying value of inventories at the end of the reporting period. Possible changes in these estimates could result in revisions to the carrying value of the inventories. The carrying value of inventories at the end of the financial year is disclosed in Note 17.

The COVID-19 pandemic have increased the estimation uncertainty relating to the future demand of inventories. A 5% increase/decrease in the allowance for stock obsolescence estimated by the management would result in an increase/decrease of $7,690 in the Group's loss before tax.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

3.3 Calculation of loss allowance

Management determines the expected credit losses ("ECL") of trade receivables by applying the simplified approach and using the provision matrix to measure the lifetime ECL for trade receivables. The Group categorises its trade receivables by its past due status and segregates debtors regarded as credit-impaired where one or more credit impairment events have occurred. The ECL rates for each category of debtors are estimated based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

When measuring ECL of other receivables, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions with consideration on the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL of other receivables. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on receivables and loans is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of receivables and loans. Details of ECL measurement and carrying values of trade receivables and other receivables at the end of the financial year are disclosed in Notes 18 and 25 respectively.

3.4 Impairment of investments in subsidiaries and associated companies

The Company reviews the investments in subsidiaries and associated companies at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss. Fair value less cost to sell calculation is based on observable market prices or market valuations less incremental costs for disposing asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiaries and associated companies as at the end of the financial year are disclosed in Notes 15 and 16, respectively.

3.5 Impairment of non-financial assets

The Group assesses impairment for intangible asset not yet available for use annually and at times when such indicators exist. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

When value in use calculations is undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment and the carrying amount of the website development cost, are given in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4 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 $	Films and spare parts $	Chemical and consumables $	Total $
2020				
Principal geographical markets				
Asia Pacific, excluding PRC	–	1,448,703	167,437	1,616,140
People's Republic of China ('PRC')	1,641,710	–	–	1,641,710
	1,641,710	**1,448,703**	**167,737**	**3,257,850**
2019				
Principal geographical markets				
Asia Pacific, excluding PRC	–	1,518,948	487,607	2,006,555
People's Republic of China ('PRC')	6,774,179	–	–	6,774,179
	6,774,179	1,518,948	487,607	8,780,734

	Group	
	2020	2019
	$	$
From continuing operations	**3,257,850**	8,780,734
From discontinued operations (Note 11)	**–**	4,750
Total revenue for the financial year	**3,257,850**	8,785,484

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

5 Other operating income

	Group	
	2020	2019
	$	$
Government grant income (Note A)	**135,427**	2,007
Rent concessions	**7,675**	–
Gain on disposal on investment in an associated company	**26,416**	–
Others	**93**	3,766
	169,611	5,773

Note A:

Within the government grant income is $133,420 (2019: $nil) that was recognised during the current financial year arising from Jobs Support Scheme in Singapore and Employment Support Scheme of the Anti-epidemic Fund in Hong Kong. The purpose of both government grants is to relief employers of the employee wages and retain employees during the period of economic uncertainty.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

5 Other operating income (cont'd)

Jobs Support Scheme ("JSS")

The Group recognised $94,994 (2019: $nil) of government grant income under JSS received by the Group's Singapore entities during the financial year. Under the JSS, Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Group's Singapore entities' operations.

Employment Support Scheme of the Anti-epidemic Fund

Wage subsidies of $38,426 (2019: $nil) was also recognised during the financial year by the Group's Hong Kong entity under the Employment Support Scheme of the Anti-epidemic Fund as established by the Government of the Hong Kong Special Administrative Region. Under the terms of the grant, the Group's Hong Kong entity is required to undertake not to make redundancies during the subsidy period of June to November 2020 and to spend all the funding on paying wages to its employees.

6 Staff costs

	Group	
	2020	2019
	$	$
Staff costs (including directors' remuneration):		
Salaries, bonuses and others	**1,998,714**	1,909,965
Contribution to defined contribution plans	**75,156**	67,434
	2,073,870	1,977,399
Representing staff costs charged to:		
Selling and distribution expenses	**201,711**	203,114
Administrative expenses	**1,872,159**	1,774,285
	2,073,870	1,977,399

7 Other operating expenses

	Group	
	2020	2019
	$	$
Foreign currency exchange adjustment losses, net	**202,156**	121,563
Write off of other receivables	–	1,023
Write off of amount due from an associated company	–	1,267
Write down of inventories	**153,790**	–
Inventories written off	**24,786**	–
	380,732	123,853

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

8 Finance costs

	Group 2020 $	Group 2019 $
Interest expense on:		
- Lease liabilities (Note 23)	**6,262**	2,555
- Bank overdrafts	**60**	91
Late payment interest	–	5
	6,322	2,651

9 Loss before tax

In addition to the transactions disclosed elsewhere in the notes to the financial statements, the loss before tax is arrived at after charging/(crediting) the following:

	Note	Group 2020 $	Group 2019 $
Cost of inventories included in cost of sales		**2,877,415**	8,239,401
Audit fees payable to:			
- auditor of the Company		**63,000**	63,000
- other auditors*		**11,919**	26,064
Non-audit fees payable to:			
- auditor of the Company		**5,000**	–
- other auditors*		**1,400**	–
Depreciation of plant and equipment	13	**65,948**	69,274
Legal and professional fees		**211,457**	169,759
Lease expenses – Short term leases		**155,554**	102,393

* Include independent member firms of the Baker Tilly International network.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

10 Tax expense

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the Singapore statutory rate of income tax to loss before tax due to the following factors:

	Group	
	2020	2019
	$	$
Loss before tax from:		
Continuing operations	**(3,327,974)**	(2,350,126)
Discontinued operations	**(795,811)**	(29,002)
	(4,123,785)	(2,379,128)
Tax calculated at a tax rate of 17% (2019: 17%)	**(701,043)**	(404,452)
Effect of different tax rates in other countries	**9,442**	8,584
Effect of results of equity-accounted investees presented net of tax	**9,215**	26,268
Income not subject to tax	**(40,994)**	(640)
Expenses not deductible for tax purposes	**270,693**	23,707
Deferred tax asset not recognised	**452,687**	335,051
Others	**–**	11,482
	–	–

At the end of the financial year, the Group has unrecognised tax losses of approximately $12,047,000 (2019: approximately $13,890,000), of which $nil (2019: $4,694,000) relates to discontinued operations, that are available for carry forward to offset against future taxable income of the companies in which the tax losses arose, subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. During the current financial year, unrecognised tax losses amounting to $4,694,000 has been disregarded upon the disposal of subsidiaries. Deferred tax asset of approximately $2,007,000 (2019: approximately $2,494,000) has not been recognised in respect of these tax losses as it is not probable that future taxable profit will be available against when these unrecognised tax losses can be utilised.

Included in income not subject to tax mainly comprise of JSS grant income of $94,994 (2019: $nil) and Employment Support Scheme of $38,426 (2019: $nil).

Included in expenses not deductible for tax purposes mainly comprise of loss on disposal of subsidiary of $835,063 and impairment of receivable from an associated company of $500,000.

The unrecognised tax losses for the Singapore and Hong Kong entities do not expire under current tax legislation.

Temporary differences arising in connection with interests in subsidiaries and associates are insignificant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

11 Discontinued operations and disposal group classified as held-for-sale

2019 transactions:

In 2019, the Group planned for the following disposal of subsidiaries:

(a) On 19 December 2019, the Group entered into a sale and purchase agreement with Christian Kwok-Leun Yau Heilesen, who is the Executive Director and the controlling shareholder of the Company for the sale of its entire equity interest in subsidiary, Luxury Watch Trading Limited ('LW') at a consideration of $0.17 (Equivalent to HKD1) payable in cash on completion date.

(b) On 23 December 2019, the Group entered into a sale and purchase agreement with a third party for the sale of its entire equity interest in subsidiary, Switech Systems & Marketing Pte Ltd ('SW') at a consideration of $1, payable in cash on the date when the share sale and purchase agreement is signed.

The entire assets and liabilities relating to LW and SW have been presented as disposal group classified as held-for-sale in the consolidated statement of financial position of the Group at 31 December 2019, and the entire financial performance of LW and SW were presented in a single amount separately on the consolidated income statement of the Group as "Discontinued Operations".

The disposal of SW and LW are completed on 14 September 2020 and 30 October 2020 respectively (Note 15(ii)).

In addition to LW and SW, for the financial year ended 31 December 2020 and 31 December 2019, the entire financial performance of the subsidiaries, Sansim Cosmetics (H.K.) Ltd ('Sansim'), FBT HK Limited ('FBT') and Vashion Assets Management Limited ('VAM') were presented as "Discontinued Operations". These subsidiaries were formerly engaged in trading or wholesale of garments and cosmetics products or provision of consultancy services. These subsidiaries have either ceased operations or remained inactive since prior years and have remained dormant in the Group. FBT has been liquidated during the financial year ended 31 December 2019 and management have commenced the process of liquidation for Sansim and VAM.

(i) The analysis of the loss from discontinued operations are as follows:

	Group	
	2020	2019
	$	$
Revenue (Note 4)	**–**	4,750
Depreciation	**(12,162)**	(15,892)
Other expenses	**(2,025)**	(17,860)
Loss before tax from discontinued operations	**(14,187)**	(29,002)
Loss on disposal of investment in subsidiaries	**(781,624)**	–
	(795,811)	(29,002)
Income tax expense	**–**	–
Loss after tax from discontinued operations	**(795,811)**	(29,002)
Total loss from discontinued operations, net of tax	**(795,811)**	(29,002)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

11 Discontinued operations and disposal group classified as held-for-sale (cont'd)

2019 transactions (cont'd):

(ii) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	2020	2019
	$	$
Operating cash flows	**(3,900)**	(11,817)
Investing cash flows	**(2,169)**	–

(iii) Details of disposal group classified as held-for-sale are as follows:

	Group
	2019
	$
Plant and equipment	43,294
Trade and other receivables	932
Cash and cash equivalents	6,069
	50,295

Included in trade and other receivables at 31 December 2019 were amount due from directors amounted to $932, which are non-trade in nature, unsecured, interest-free and repayable on demand.

(iv) Details of liabilities directly associated with disposal group classified as held-for-sale are as follows:

	Group
	2019
	$
Trade and other payables	63,035
Tax payable	52,255
	115,290

(v) Details of reserve of disposal group classified as held-for-sale are as follows:

	Group
	2019
	$
Foreign currency translation reserve	(860,806)

In 2020, the reserve attributable to disposal group classified as held for sale amounted to $860,806 has been reclassified to profit or loss upon the completion of disposal group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

12 Loss per share

The calculation of the basic and diluted earnings per share attributable to equity holders of the Company is based on the following data:

	Continued operations		**Discontinued operations**		**Total**	
	2020	2019	**2020**	2019	**2020**	2019
	$	$	**$**	$	**$**	$
Net loss attributable to equity holders of the Company ($)	**(3,327,974)**	(2,350,126)	**(795,811)**	(29,002)	**(4,123,785)**	(2,379,128)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ($)	**299,843,943**	299,843,943	**299,843,943**	299,843,943	**299,843,943**	299,843,943
Basic and diluted earnings per share (cents per share)	**(1.11)**	(0.78)	**(0.27)**	(0.01)	**(1.38)**	(0.79)

Basic and diluted loss per share amounts is calculated by dividing loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For the purposes of calculating diluted loss per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive instruments. Basic and diluted loss per share are the same for the financial years 31 December 2020 and 31 December 2019 as the Group incurred a loss for both years. Warrants and bonus element arising from the issuance of rights shares after year end are anti-dilutive. The weighted average number of ordinary shares for 2019 has been adjusted based on the share consolidation without a corresponding change in resources incurred during the financial year (Note 19) in accordance with SFRS(I) 1-33.

13 Plant and equipment

	Renovations	**Computer and office equipment**	**Plants and machineries**	**Motor vehicles**	**Furniture and fittings**	**Office units**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Group							
2020							
Cost							
At 1.1.2020	43,649	54,245	14,400	78,641	32,787	184,090	407,812
Additions	–	–	–	–	1,650	40,743	42,393
At 31.12.2020	**43,649**	**54,245**	**14,400**	**78,641**	**34,437**	**224,833**	**450,205**
Accumulated depreciation							
At 1.1.2020	43,649	49,327	14,400	68,100	32,787	62,637	270,900
Depreciation charge	–	2,287	–	2,776	165	60,720	65,948
At 31.12.2020	**43,649**	**51,614**	**14,400**	**70,876**	**32,952**	**123,357**	**336,848**
Net carrying value							
At 31.12.2020	**–**	**2,631**	**–**	**7,765**	**1,485**	**101,476**	**113,357**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

13 Plant and equipment (cont'd)

	Renovations $	Computer and office equipment $	Plants and machineries $	Motor vehicles $	Furniture and fittings $	Office units $	Total $
Group							
2019							
Cost							
At 1.1.2019	43,649	59,431	15,099	143,120	33,721	–	295,020
Recognition of right-of-use asset on initial application of SFRS(I) 16	–	–	–	–	–	62,637	62,637
Reclassified as disposal group classified as held-for sale	–	(7,226)	(699)	(78,358)	(934)	–	(87,217)
Cost at 1.1.2019, restated	43,649	52,205	14,400	64,762	32,787	62,637	270,440
Additions	–	2,040	–	13,879	–	121,453	137,372
At 31.12.2019	43,649	54,245	14,400	78,641	32,787	184,090	407,812
Accumulated depreciation							
At 1.1.2019	43,649	52,609	15,099	84,264	33,721	–	229,342
Reclassified as disposal group classified as held-for sale	–	(6,493)	(699)	(19,590)	(934)	–	(27,716)
Depreciation charge	–	3,211	–	3,426	–	62,637	69,274
At 31.12.2019	43,649	49,327	14,400	68,100	32,787	62,637	270,900
Net carrying value							
At 31.12.2019	–	4,918	–	10,541	–	121,453	136,912

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

13 Plant and equipment (cont'd)

	Renovations $	Computer and office equipment $	Furniture and fittings $	Office units $	Total $
Company					
2020					
At 1.1.2020 and 31.12.2020	**22,953**	**14,038**	**28,495**	**54,544**	**120,030**
Accumulated depreciation					
At 1.1.2020	22,953	14,038	28,495	18,558	84,044
Depreciation charge	–	–	–	17,988	17,988
At 31.12.2020	**22,953**	**14,038**	**28,495**	**36,546**	**102,032**
Net carrying value					
At 31.12.2020	**–**	**–**	**–**	**17,998**	**17,998**
2019					
At 1.1.2019	22,953	14,038	28,495	–	65,486
Recognition of right-of-use asset on initial application of SFRS(I) 16	–	–	–	18,558	18,558
Cost at 1.1.2019, restated	22,953	14,038	28,495	18,558	84,044
Additions	–	–	–	35,986	35,986
At 31.12.2019	22,953	14,038	28,495	54,544	120,030
Accumulated depreciation					
At 1.1.2019	22,953	14,007	28,495	–	65,455
Depreciation charge	–	31	–	18,558	18,589
At 31.12.2019	22,953	14,038	28,495	18,558	84,044
Net carrying value					
At 31.12.2019	–	–	–	35,986	35,986

(a) Included in plant and equipment of the Group and the Company are right-of-use assets of $101,476 and $17,998 (1.1.2020: $122,960 and $35,986), respectively (Note 23).

(b) Non-cash transactions

	Group 2020 $	Group 2019 $
Aggregate cost of plant and equipment acquired	**42,393**	137,372
Less: additions to right-of-use assets	**(40,743)**	(121,453)
Net cash outflow for purchase of plant and equipment	**1,650**	15,919

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

14 Intangible assets

	Group and Company	
	2020	2019
	$	$
Website development costs (Note (a))	**948,564**	–
Membership rights (Note (b))	**–**	–
	948,564	–

(a) Website development costs

	2020
	$
Cost	
Balance at beginning of financial year	**–**
Addition	**948,564**
Balance and net carrying amount at end of financial year	**948,564**

Website development costs relate to costs paid to a vendor for custom design and interactive features of the Group's virtual platform that would generate future economy benefits upon commercialisation. Website development costs have a finite useful life, over which the assets are to be amortised. The amortisation period for the Group's website development cost is 5 years. No amortisation is charged as at 31 December 2020 as the website is still under development stage. The directors have approved to invest up to $2 million in this website development project.

During the financial year, management performed an impairment test for the website development costs. The recoverable amount of the website development costs is determined based on its value in use. Value in use is the present value of expected cash flows calculated by discounting the estimated cash flows based on the projection approved by management. The cash flows projection covers a period of five years and reflect the management assessments of future industry trends based on external and internal information.

Key assumptions used in value-in-use calculation

The recoverable amount of the website development costs is determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the number of subscribers, subscription price, expected operational costs and discount rate. The number of subscribers and subscription price are estimated based on management judgement after taking into consideration the number of subscribers and subscription prices set by various competitors of similar nature. Expected operational costs are based on management's assessment of future trends and development in the market. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the website development costs.

The pre-tax rate used to discount the forecast cash flows from the website development costs is 14.52%.

Sensitivity to changes in assumptions

With regards to the assessment of value in use for the website development costs, management believes that any reasonably possible changes in any of the key assumptions applied would not cause the recoverable amount to be materially lower than the carrying value of the website development costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

14 Intangible assets (cont'd)

(b) **Membership rights**

	2019 $
Cost	
Balance at beginning of financial year	73,300
Written off	(73,000)
Balance at end of financial year	–
Accumulated impairment losses	
Balance at beginning of financial year	73,300
Written off	(73,000)
Balance at end of financial year	–
Net carrying value	
Balance at end of financial year	–

Membership rights in a country club with an indefinite useful life are registered and held in trust by a key management personnel of a subsidiary of the Group. The contracts of club membership are open ended and there is no foreseeable limit to the period over which the memberships are expected to generate cash to the Group. Therefore, the memberships are not to be amortised until its useful life is determined to be finite. It is tested for impairment annually in accordance with the accounting policy in Note 2.8.

The membership rights are written off in 2019 due to the cessation of operation of the country club.

15 Investments in subsidiaries

	Company	
	2020 $	2019 $
Unquoted equity shares, at cost		
Balance at beginning of financial year	**11,337,817**	11,337,817
Disposal of subsidiaries	**(8,630,963)**	–
	2,706,854	11,337,817
Less: Allowance for impairment losses	**(2,705,240)**	(10,034,803)
Balance at end of financial year	**1,614**	1,303,014

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15 Investments in subsidiaries (cont'd)

Movements in allowance for impairment losses during the financial year are as follows:

	Company	
	2020	2019
	$	$
Balance at beginning of financial year	**10,034,803**	10,034,803
Addition	**1,301,400**	–
Disposal of subsidiaries	**(8,630,963)**	–
Balance at end of financial year	**2,705,240**	10,034,803

Company Level - Impairment review of investment in subsidiaries

During the financial year, management performed an impairment test for the investment in Hi-Tech Distribution Pte Ltd as this subsidiary had been persistently making losses. An additional impairment loss of $1,301,400 was recognised for the year ended 31 December 2020 to write down this subsidiary to its recoverable amount of $nil. Hi-Tech Distribution Pte Ltd's value-in-use calculations used cash flow forecasts derived from the most recent financial budgets approved by management covering a five-year period. Revenue growth for the next five years was projected taking into account the average growth level experienced over the past five years (including the impact arising from Covid-19 pandemic) and estimated sales volume and price growth for the next five years.

The pre-tax rate used to discount the forecast cash flows is 9.5%.

Management believes that the change in the estimated recoverable amount arising from any reasonably possible change to the key assumptions applied would not cause the recoverable amount to be significantly higher than the carrying amount of investment in subsidiary and would not affect the impairment loss during the financial year.

Details of the Company's subsidiaries at 31 December 2020 are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity holding	
			2020	**2019**
			%	**%**
Held by the Company				
Hi-Tech Distribution Pte. Ltd. [(a)]	Distributor of equipment and consumable materials for the electronic industry	Singapore	**100**	100
Incredible Trading Limited (formerly known as Vashion Group (H.K.) Holdings Limited) [(b)]	Investment holding company and retail and trading of new and used luxury goods	Hong Kong	**100**	100
Incredible Finance Limited [(c) (i)]	Loan financing business	Hong Kong	**100**	–
Switech Systems & Marketing Pte. Ltd. [(a) (ii)]	Designer, assembler, supplier and installer of electrical switch boxes and retail and trading of new and used luxury goods	Singapore	–	100
Luxury Watch Trading Limited [(b) (ii)]	Retail and wholesale of garments	Hong Kong	–	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15 Investments in subsidiaries (cont'd)

Details of the Company's subsidiaries at 31 December 2020 are as follows (cont'd):

Name of subsidiary	Principal activities	Country of incorporation	Effective equity holding 2020 %	2019 %
Held by Hi-Tech Distribution Pte Ltd				
Chemitec Industrial Pte Ltd [(a)]	Distributor of specialty chemical products and consumable materials for the electronic industry	Singapore	**100**	100
Held by Incredible Trading Ltd				
Sansim Cosmetics (H.K.) Limited [(c)]	Dormant	Hong Kong	**100**	100
Vashion Assets Management Limited [(d)]	Dormant	Hong Kong	**–**	100

(a) Audited by Baker Tilly TFW LLP
(b) Audited by an independent overseas member firm of Baker Tilly International
(c) Not audited
(d) Dissolved on 18 September 2020

(i) Incorporation of a subsidiary

On 25 May 2020, the Group incorporated a wholly owned subsidiary, Incredible Finance Ltd in Hong Kong for a consideration of HKD1. The principal activities of the Company will be loan financing business. The Company is dormant as at the end of the financial year.

(ii) Disposal of subsidiaries

Switech Systems & Marketing Pte Ltd ("SW")

On 14 September 2020, the Group completed the disposal of SW, a wholly-owned subsidiary to a third party. The disposal consideration received was $1. The completion of the disposal resulted in a gain on disposal of $53,439 to the Group and included in result of loss from discontinued operations. Upon the completion of disposal, SW ceased to be a subsidiary of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15 Investments in subsidiaries (cont'd)

(ii) Disposal of subsidiaries (cont'd)

Switech Systems & Marketing Pte Ltd ("SW") (cont'd)

The assets and liabilities of SW as at the completion date of disposal were as follows:

	Group 2020 $
Assets	
Plant and equipment	**367**
Cash and cash equivalents	**2,169**
Total assets	**2,536**
Liabilities	
Other payables and accruals	**(55,974)**
Net liabilities	**(53,438)**
Gain on disposal of subsidiary	
Consideration received, satisfied in cash	**1**
Net liabilities	**(53,438)**
Gain from disposal of subsidiary	**(53,439)**
Net cash outflow due to disposal of subsidiary	**(2,168)**

Luxury Watch Trading Limited ("LW")

On 30 October 2020, the Group completed the disposal of LW, a wholly-owned subsidiary to a third party. The consideration amount was HKD1. The completion of disposal resulted in a loss of disposal of $835,063 to the Group and included in result of loss from discontinued operations. Following the completion, LW ceased to be a subsidiary of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15 Investments in subsidiaries (cont'd)

(ii) Disposal of subsidiaries (cont'd)

Luxury Watch Trading Limited ("LW") (cont'd)

The assets and liabilities of LW as at the completion date of disposal were as follows:

	Group 2020 $
Assets	
Plant and equipment	**31,539**
Other receivables	**945**
Total assets	**32,484**
Liabilities	
Accruals	**(58,227)**
Net liabilities	**(25,743)**
Gain on disposal of subsidiary	
Consideration received	**–***
Net liabilities	**(25,743)**
Reclassification of cumulative translation reserve	**860,806**
Loss from disposal of subsidiary	**835,063**
Net cash outflow due to disposal of subsidiary	**–**

*HKD 1

16 Investments in associated companies

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Balance at beginning of financial year	**1,162,097**	1,280,909	**1,100,817**	1,281,726
Group's share of post-acquisition reserves	**(54,208)**	(154,518)	–	–
Currency translation difference arising from translation of financial statements of foreign associated companies	**(12,589)**	35,706	–	–
Allowance for impairment losses	–	–	–	(180,909)
Disposal during the financial year	**(1,095,300)**	–	**(1,100,000)**	–
Balance at end of financial year	–	1,162,097	**817**	1,100,817

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

16 Investments in associated companies (cont'd)

Movements in allowance for impairment losses during the financial year are as follows:

	Company	
	2020	2019
	$	$
Balance at beginning of financial year	**180,909**	–
Allowance made	–	180,909
Reversal of allowance upon disposal of an associated company	**(180,909)**	–
Balance at end of financial year	–	180,909

On 8 January 2020, the Group entered into a sale and purchase agreement to dispose of its entire equity interest in an associate, PT. Louis Gianni ('PTLG') at an agreed consideration of $1,100,000 (equivalent to IDR11,336,699) to a third party. The disposal was completed on 29 May 2020 and the Group's gain on disposal amounted to $26,416 and included in other operating income (Note 5).

The Group and Company's investments in associated companies are summarised below:

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Carrying amount:				
PT. Louis Gianni	**–**	1,162,097	**–**	1,100,000
Strong System Limited	**–**	–	**817**	817
Empire Top Limited	**–**	–	**–**	–
	–	1,162,097	**817**	1,100,817

Summarised financial information for Strong System Limited and PT. Louis Gianni based on its financial statements (not adjusted for the Group's share of these amounts) and a reconciliation to the carrying amount of the investment in the consolidated financial statements are as follows:

	Strong System Limited Subgroup		PT. Louis Gianni	
	2020	2019	**2020**	2019
	$	$	**$**	$
Revenue	**9,191,406**	9,009,356	**–**	–
Loss after tax	**(200,668)**	(215,076)	**–**	(315,342)
Other comprehensive income	–	–	**–**	72,870
Total comprehensive loss	**(200,668)**	(215,076)	**–**	(242,472)
Non-current assets	**202,074**	388,492	**–**	–
Current assets	**3,087,131**	3,148,484	**–**	2,643,761
Non-current liabilities	**(1,739,330)**	(1,891,333)	**–**	–
Current liabilities	**(1,972,994)**	(1,871,136)	**–**	(272,134)
Net assets	**(423,120)**	(225,493)	**–**	2,371,627
Group's share of net assets based on proportion of ownership interest	**(207,329)**	(110,492)	**–**	1,162,097

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

16 Investments in associated companies (cont'd)

The Group has not recognised its share of loss of Strong System Limited totalling $98,327 (2019: $105,387) during the financial year because the Group's cumulative share of losses at the end of reporting date has exceeded its interest in this associated company and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses at the end of the financial year in respect of this associated company not recognised were $209,594 (2019: $111,267).

The following information relates to associated companies of the Group, which in the opinion of the management are material to the Group:

Name of associated company	Principal activities	Country of incorporation	Effective equity holding 2020 %	2019 %
Held by the Company				
Strong System Limited [a]	Trading of luxury goods in retail basis	Hong Kong	**49**	49
PT. Louis Gianni [b][c]	Wholesale and retail of garments	Indonesia	**–**	49
Held by Strong System Limited				
Empire Top Limited [c]	Rental of property	Hong Kong	**49**	49

(a) Audited by Ken T. W. C.P.A. Limited, Hong Kong. Mr Christian Kwok-Leun Yau Heilesen, the Executive Director of the Company, holds 51% of the equity interest in Strong System.

(b) Mr Tansri Saridju Benui @ Chen Bing Wen, the former Executive Chairman of the Company, holds 2% of the equity interest in PTLG on behalf of the Company. PTLG was disposed during the financial year.

(c) Not required to be audited under the laws of country of incorporation.

The associated companies are measured using the equity method of accounting.

17 Inventories

	Group 2020 $	2019 $
Consumables and parts	**128,959**	272,181
Trading inventories	**391,025**	504,315
	519,984	776,496

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18 Trade and other receivables

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Trade receivables - third parties	**219,721**	696,257	**93,150**	–
Deposits	**29,770**	14,770	**18,310**	3,310
Prepayments (i)	**473,439**	63,328	**470,848**	60,769
Other receivables - third parties	**88,552**	11,508	**85,666**	9,043
Loans to subsidiaries (ii)	**–**	–	**12,521,802**	11,474,357
Amounts due from an associated company (iii)	**1,670,900**	1,696,380	**1,670,900**	1,696,380
	2,262,661	1,785,986	**14,767,526**	13,243,859
Less: Loss allowance (Note 25b)	**(500,000)**	–	**(13,021,802)**	(11,474,357)
	1,762,661	1,785,986	**1,745,724**	1,769,502
Total	**1,982,382**	2,482,243	**1,838,874**	1,769,502

(i) Included in prepayments of the Group and the Company is an amount of $312,250 (2019: $nil) related to advances made for the website development costs.

(ii) Loans to subsidiaries are non-trade in nature, unsecured, bear interest at 3.50% per annum and repayable within the next twelve months.

(iii) The amounts due from an associated company are non-trade in nature, unsecured, interest-free and repayable on demand.

19 Share capital

	Group and Company			
	2020		2019	
	Number of issued shares	**Issued share capital $**	Number of issued shares	Issued share capital $
Balance at beginning of financial year/before completion of share consolidation	**299,843,943**	**38,852,217**	1,199,375,920	38,852,217
Balance after completion of share consolidation	**299,843,943**	**38,852,217**	299,843,943	38,852,217
Balance at end of financial year	**299,843,943**	**38,852,217**	299,843,943	38,852,217

All issued shares are fully paid ordinary shares with no par value.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

Share consolidation in 2019

On 2 December 2019, the Company completed the share consolidation of every four existing ordinary shares in the capital of the Company into one consolidated share. The issue share capital of the Company comprised 299,843,943 consolidated shares after disregarding any fractions of consolidated shares arising from the share consolidation. This share consolidation also gave rise to adjustment to the exercise price of the Warrants from $0.005 to $0.02.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

20 Performance Bonus Share Reserve

On 6 September 2017, a share incentive scheme known as the Incredible Performance Share Plan (formerly known as Vashion Performance Share Plan) ("Incredible PSP") was approved by the shareholders at an Extraordinary General Meeting. Under the Incredible PSP, the eligible person ("Participant") will be awarded fully paid shares of the Company at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as, inter alia, as the rank and responsibilities, performance, years of service, potential for future development of the Participant, contribution to success of the Group and the extent of effort and resourcefulness with which the performance target(s) may be achieved within the performance period. The Incredible PSP shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Incredible PSP is adopted.

As at 31 December 2020 and 31 December 2019, no shares were awarded to the participants under the Incredible PSP.

21 Foreign currency translation reserve

	Group	
	2020	2019
	$	$
Balance at beginning of financial year	**1,546,304**	1,657,004
Exchange difference on translation of foreign operations	**(203,336)**	(74,994)
Currency translation differences arising from translation of financial statements of foreign associated company	**12,589**	(35,706)
Reclassification of foreign currency translation reserve to profit or loss upon disposal of subsidiaries	**(860,806)**	–
Reclassification of foreign currency translation reserve to profit or loss upon disposal of an associated company	**23,117**	–
Balance at end of financial year	**517,868**	1,546,304

	Group	
	2020	2019
	$	$
Representing:		
Reserve of continuing operations	**517,868**	685,498
Reserve of disposal group classified as held for sale (Note 11(v))	**–**	860,806
	517,868	1,546,304

The foreign currency translation reserve accumulates all foreign exchange differences arising from the translation of financial statements of entities that are denominated in currencies other than the presentation currency of the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

22 Trade and other payables

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Non-current				
Amounts due to a subsidiary	**–**	–	**–**	17,428
Current				
Trade payables - third parties	**37,293**	81,307	**–**	–
GST payables	**3,546**	1,926	**–**	–
	40,839	83,233	**–**	–
Other payables	**565,167**	328,068	**245,236**	315,093
Accrued operating expenses	**137,842**	125,759	**47,800**	62,181
Accrued remuneration for former directors of the Company	**110,275**	110,275	**110,275**	110,275
Accrued remuneration for directors of the Company	**365,855**	238,103	**103,250**	65,250
Advances from directors of the Company (Note B)	**26,352**	141,055	**–**	141,055
Amount due to shareholders (Note A)	**2,215,032**	–	**2,215,032**	–
Amount due to subsidiaries (Note B)	**–**	–	**379,360**	344,672
Amount due to an associated company (Note B)	**–**	8,172	**–**	8,172
	3,420,523	951,432	**3,100,953**	1,046,698
	3,461,362	1,034,665	**3,100,953**	1,046,698
Total	**3,461,362**	1,034,665	**3,100,953**	1,064,126

Note A:

On 22 September 2020, the Company entered into the following loan agreements:

i. A loan agreement ("Mission Well Loan Agreement") with Mission Well Limited ("Mission Well"), who is a controlling shareholder of the Company, for an unsecured, interest free loan facility of up to an aggregate principal amount of $9,101,475. As at the end of the financial year, an amount of $1,905,492 has been drawn down. The remaining amount of $7,195,983 has been drawn down in January 2021.

ii. A loan agreement ("Go Best Loan Agreement") with Go Best Holdings Limited ("Go Best"), who is a shareholder of the Company, for an unsecured, interest free loan facility of up to an aggregate principal amount of $309,540. As at the end of the financial year, an amount of $309,540 has been drawn down.

Subsequent to the end of the financial year on 1 February 2021, the total loan drawn down of $9,411,015 was converted into 1,680,538,325 issued share capital of the Company as part of the undertaken Rights Shares subscription amount of approximately $9.4 million that was set off against an equivalent amount of the principal amount drawn down 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. Also see Note 29.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

22 Trade and other payables (cont'd)

Note B:

The advances from directors of the Company, amount due to subsidiaries and amount due to an associated company are non-trade in nature, unsecured, interest-free and repayable on demand.

Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Amount due to shareholders $	Amount due to director $	Total $
Group			
Balance at 1 January 2020	–	141,055	141,055
Changes from financing cash flows:			
– Proceeds	2,215,032	421,513	2,636,545
– Repayment	–	(536,216)	(536,216)
Balance at 31 December 2020	**2,215,032**	**26,352**	**2,241,384**

	Amount due to director $	$
Group		
Balance at 1 January 2019	767	767
Changes from financing cash flows:		
– Proceeds	140,288	140,288
Balance at 31 December 2019	141,055	141,055

23 Lease liabilities

The Group as a lessee

Nature of the Group's leasing activities

The Group leases office units from non-related parties. The leases have an average tenure of between 1 to 3 years. For lease with contractual term of 1 year, the Group has accounted for it as short-term lease and has elected not to recognise right-of-use asset and lease liability for this lease.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

23 Lease liabilities (cont'd)

The Group as a lessee (cont'd)

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in Statements of Financial Position

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Carrying amount of right-of-use assets which are classified within plant and equipment				
Office units	**101,476**	121,453	**17,998**	35,986
Office equipment	**–**	1,507	–	–
	101,476	122,960	**17,998**	35,986
Carrying amount of lease liabilities				
Current	**64,404**	64,291	**–**	–
Non-current	**42,462**	62,302	**–**	–
	106,866	126,593	**–**	**–**

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Additions to right-of-use assets	**40,743**	121,453	**40,743**	35,986

Amounts recognised in Statements of Profit or Loss

	Group	
	2020	2019
	$	$
Depreciation charge for the year		
Office units	**60,720**	62,637
Office equipment	**1,507**	1,644
Total	**62,227**	64,281
Lease expense not included in the measurement of lease liabilities		
Lease expense - short term leases	**155,554**	102,393
Total (Note 9)	**155,554**	102,393
Rent concession (Note 5)	**7,675**	**–**
Interest expense on lease liabilities (Note 8)	**6,262**	2,555

Total cash flow for leases amounted to $222,286 (2019: $169,125).

On 1 January 2019, finance lease liabilities of $6,680 were reclassified to lease liabilities from the adoption of SFRS(I) 16.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

23 Lease liabilities (cont'd)

The Group as a lessee (cont'd)

Reconciliation of movements of lease liabilities to cash flows arising from financing activities

	Group	
	2020	2019
	$	$
Balance at 1 January	**126,593**	–
Reclassification from finance lease liabilities on adoption of SFRS(I) 16	**–**	6,680
Adoption of SFRS(I) 16 (Note 13)	**–**	62,637
Changes from financing cash flows:		
- Payments	**(60,470)**	(64,177)
- Interest paid	**(6,262)**	(2,555)
Non-cash changes:		
- Interest expense	**6,262**	2,555
- Additions of new leases	**40,743**	121,453
Balance at 31 December	**106,866**	126,593

24 Related party transactions

(a) In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related party, who is not member of the Group during the financial year on terms agreed by the parties concerned:

	Group	
	2020	2019
	$	$
Rental expenses payable to an associated company	**105,742**	102,393
Rental expenses payable to a company whereby the Company is owned by a shareholder cum director of the Company	**49,812**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

24 Related party transactions (cont'd)

(b) Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. Compensation of directors and other key management personnel of the Group:

	Group	
	2020	2019
	$	$
Key management personnel compensation:		
Directors of the Company		
- Salaries, bonuses and others	**682,417**	587,712
- Contribution to defined contribution plans	**8,806**	6,269
- Directors' fees	**120,000**	120,000
Other key management personnel		
- Salaries, bonuses and others	**704,731**	692,625
- Contribution to defined contribution plans	**15,404**	10,532
	1,531,358	1,417,138

Total key management personnel compensation is analysed as follows:

	Group	
	2020	2019
	$	$
Salaries, bonuses and others	**1,387,148**	1,280,337
Contribution to defined contribution plans	**24,210**	16,801
Directors' fees	**120,000**	120,000
	1,531,358	1,417,138

25 Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amount at the end of the financial year are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Financial assets				
At amortised cost	**2,266,166**	3,018,791	**1,307,408**	1,722,111
Financial liabilities				
At amortised cost	**3,564,682**	1,159,332	**3,100,953**	1,064,126

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Financial instruments (cont'd)

(b) Financial risks management

The Group and Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management strategy is to minimise the effects of these risks by continually monitoring the financial risk management process to ensure that an appropriate balance between risk and control is achieved. The Board of Directors is responsible for setting the objectives and policies implemented to mitigate the risk exposures. The Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk. Such written policies are reviewed annually.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Foreign exchange risk

The Group has currency exposures arising from transactions, assets and liabilities that are denominated in currencies other than the respective functional currencies of entities in the Group. The foreign currencies in which the Group's currency risk arises are mainly United States Dollar ('USD'), Hong Kong Dollar ('HKD') and Pound Sterling ('GBP').

The Group is also exposed to currency translation risk arising from its net investment in its foreign operation in Hong Kong. The Group does not have a policy to hedge its exposure to foreign currency risk. The Group's net investments in Hong Kong are not hedged as currency positions in Hong Kong is considered to be long-term in nature.

At the end of the financial year, the Group and Company have the following financial assets and financial liabilities denominated in foreign currencies based on information provided to key management:

	Denominated in		
	USD	**HKD**	**GBP**
	$	**$**	**$**
Group			
2020			
Trade and other receivables	91,466	1,170,900	–
Cash and cash equivalents	687,218	–	–
Trade and other payables	(766,818)	(533,665)	(37,293)
Net financial assets/(liabilities) denominated in foreign currencies	**11,866**	**637,235**	**(37,293)**
2019			
Trade and other receivables	647,704	1,696,380	–
Cash and cash equivalents	407,187	–	–
Trade and other payables	(70,088)	–	(11,219)
Net financial assets/(liabilities) denominated in foreign currencies	984,803	1,696,380	(11,219)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Foreign exchange risk (cont'd)

	Denominated in USD $	Denominated in HKD $
Company		
2020		
Trade and other receivables	–	1,170,900
Cash and cash equivalents	1,798	–
Trade and other payables	(766,818)	(533,665)
Net financial (liabilities)/assets denominated in foreign currencies	**(765,020)**	**637,235**
2019		
Trade and other receivables	–	1,696,380
Cash and cash equivalents	1,832	–
Net financial assets denominated in foreign currencies	1,832	1,696,380

The following table demonstrates the sensitivity to a reasonably possible change in USD, HKD and GBP exchange rates against the respective functional currencies of the Group's subsidiaries and the Company, with all other variables held constant, of the Group's and the Company's loss before tax:

	Group Increase/(decrease) in loss before tax 2020 $	**Group Increase/(decrease) in loss before tax** 2019 $
USD/SGD		
- strengthened 10% (2019: 10%)	**(1,187)**	(98,480)
- weakened 10% (2019: 10%)	**1,187**	98,480
HKD/SGD		
- strengthened 10% (2019: 10%)	**(63,724)**	(169,638)
- weakened 10% (2019: 10%)	**63,724**	169,638
GBP/SGD		
- strengthened 10% (2019: 10%)	**3,729**	1,122
- weakened 10% (2019: 10%)	**(3,729)**	(1,122)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Foreign exchange risk (cont'd)

	Company Increase/(decrease) in loss before tax	
	2020	2019
	$	$
USD/SGD		
- strengthened 10% (2019: 10%)	**76,502**	(183)
- weakened 10% (2019: 10%)	**(76,502)**	183
HKD/SGD		
- strengthened 10% (2019: 10%)	**(63,724)**	(169,638)
- weakened 10% (2019: 10%)	**63,724**	169,638

Interest rate risk

The Group's and the Company's exposure to interest rate risk is minimal as the impacts of interest rate fluctuations on the Group's and the Company's interest bearing assets and liabilities are not significant.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group minimises credit risk by dealing exclusively with high credit rating counterparties. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group and Company do not have significant credit exposure except that the Group's and Company's trade receivables comprise 1 debtor (2019: 1 debtor) and 1 debtor (2019: nil) that individually represented 42% (2019: 81%) and 100% (2019: nil) of the trade receivables respectively. The Company has no significant concentration of credit risk except for the receivables from subsidiaries and an associated company as disclosed in Note 18.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statement of financial position.

To minimise credit risk, the Group and Company has developed and maintained the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The Group considers available reasonable and supportive forward-looking information which includes internal credit rating, external credit rating, actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations, actual or expected significant changes in the operating results of the debtor, significant increases in credit risk on other financial instruments of the same debtor and significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are less than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as future economic and industry outlook, that is available without undue cost or effort.

In particular, when assessing whether credit risk has increased significantly since initial recognition, the Group considers the following:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

25 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Definition of default

The Group has determined the default events on a financial asset to be when there is evidence that the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or the financial asset is more than 365 days past due.

The Group considers the above as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Movements in credit loss allowance are as follows:

	Amount due from an associated company $	**Trade receivables $**	**Total $**
Group			
2020			
Balance at 1 January 2020	–	–	–
Additions			
Lifetime ECL			
- Significant increase in credit risk	500,000	–	500,000
	500,000	–	500,000
Balance at 31 December 2020	**500,000**	–	**500,000**
2019			
Balance at 1 January 2019	–	197,494	197,494
Receivables written off as uncollectable	–	(197,494)	(197,494)
Balance at 31 December 2019	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Estimation techniques and significant assumptions (cont'd)

	Amount due from an associated company $	Loan to subsidiaries $	Total $
Company			
2020			
Balance at 1 January 2020	–	11,474,357	11,474,357
Additions			
Lifetime ECL			
- Significant increase in credit risk	500,000	–	500,000
- Credit impaired	–	1,047,445	1,047,445
	500,000	1,047,445	1,547,445
Balance at 31 December 2020	**500,000**	**12,521,802**	**13,021,802**

	Amount due from subsidiaries $	Loan to subsidiaries $	Total $
Company			
2019			
Balance at 1 January 2019	1,103,281	16,393,784	17,497,065
Loss allowance reversed			
Lifetime ECL	–	(170,772)	(170,772)
	–	(170,772)	(170,772)
Receivables written off as uncollectable	(1,103,281)	(4,748,655)	(5,851,936)
Balance at 31 December 2019	–	11,474,357	11,474,357

None of the amount due from subsidiaries or loan to subsidiaries that have been written off is subject to enforcement activities.

Trade receivables

The Group and the Company have applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

The Group and the Company estimate the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

The Group has recognised 100% loss allowance against trade receivables over 365 days past due because historical experience has indicated that these trade receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Credit quality of financial assets

The table below details the credit quality of the Group's and the Company's financial assets:

2020 Group	**12-month or lifetime ECL**	**Gross carrying amount $**	**Loss allowance $**	**Net carrying amount $**
Trade receivables	Lifetime	219,721	–	219,721
Other receivables	12-month (Exposure limited)	118,322	–	118,322
Due from an associated company (non-trade)	Lifetime	1,670,900	(500,000)	1,170,900
Cash and cash equivalents	Not applicable (Exposure limited)	839,963	–	839,963

2019 Group	12-month or lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
Trade receivables	Lifetime	696,257	–	696,257
Other receivables	12-month (Exposure limited)	26,278	–	26,278
Due from an associated company (non-trade)	12-month	1,696,380	–	1,696,380
Cash and cash equivalents	Not applicable (Exposure limited)	599,876	–	599,876

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Credit risk (cont'd)

Credit quality of financial assets (cont'd)

The table below details the credit quality of the Group's and the Company's financial assets (cont'd):

2020 Company	**12-month or lifetime ECL**	**Gross carrying amount $**	**Loss allowance $**	**Net carrying amount $**
Trade receivables	12-month	93,150	–	93,150
Other receivables	12-month (Exposure limited)	103,976	–	103,976
Due from an associated company (non-trade)	Lifetime	1,670,900	(500,000)	1,170,900
Loan to subsidiaries	Lifetime	12,521,802	(12,521,802)	–
Cash and cash equivalents	Not applicable (Exposure limited)	22,122	–	22,122

2019 Company	12-month or lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
Other receivables	12-month (Exposure limited)	12,353	–	12,353
Due from an associated company (non-trade)	12-month	1,696,380	–	1,696,380
Loan to subsidiaries	Lifetime	11,474,357	(11,474,357)	–
Cash and cash equivalents	Not applicable (Exposure limited)	13,378	–	13,378

The credit loss exposure for cash and cash equivalents is immaterial as at 31 December 2020 and 31 December 2019.

25 Financial instruments (cont'd)

(b) Financial risks management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of the financial assets and liabilities.

The Group and the Company monitor its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. For the current financial year, the Group has net cash outflow from its operations. Notwithstanding this, management ensure the Group and the Company have sufficient cash resources on demand to meet expected operational expenses including the servicing of financial obligations.

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2020			2019		
	Within 1 year	**Within 2 to 5 years**	**Total**	Within 1 year	Within 2 to 5 years	Total
	$	**$**	**$**	$	$	$
Group						
Trade and other payables	**3,457,816**	**–**	**3,457,816**	1,032,739	–	1,032,739
Lease liabilities	**66,731**	**44,035**	**110,766**	72,991	65,563	138,554
Company						
Trade and other payables	**3,100,953**	**–**	**3,100,953**	1,064,126	–	1,064,126

26 Fair value of assets and liabilities

The carrying amount of the Group's and Company's financial assets and financial liabilities with a maturity of less than one year, which are primarily trade and other receivables and payables, due from/(to) subsidiaries, loans to subsidiaries, due from an associated company and borrowings is a reasonable approximation of fair value because of their relatively short term period of maturity.

The fair value of financial liability with a maturity of more than one year is approximate to its carrying value as the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27 Segment 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:

Segment 1 : Retail of luxury goods ("Luxury goods")
Segment 2 : Distribution of specialty chemical products, consumable material, films and spare parts for electronic industry ("Distribution")
Segment 3* : Switchgear design and assembly
Segment 4* : Wholesale/Retail business in garments and cosmetic products ("Wholesale/Retail business")

* The segments have been discontinued during the financial year or since prior year (Note 11).

Other operations include investment holding companies. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2020 or 2019.

The segment information provided to management for the reportable segments are as follows:

	Luxury Goods $	Distribution $	Switchgear Design and assembly (Discontinued) $	Wholesale/ Retail business (Discontinued) $	Other $	Elimination $	Group $
2020							
Segment revenue	1,641,710	1,616,140	–	–	–	–	3,257,850
Segment profit/(loss)	(1,836,595)	(326,160)	(2,172)	(12,015)	(4,289,366)	2,348,845	(4,117,463)
JSS grant income	–	78,894	–	–	16,100	–	94,994
Employment support scheme	38,426	–	–	–	–	–	38,426
Depreciation	–	(47,960)	(147)	(12,015)	(17,988)	–	(78,110)
Loss on disposal of investment in subsidiaries and associated company	–	–	–	–	(755,208)	–	(755,208)
Share of loss of an associated company	–	–	–	–	(54,208)	–	(54,208)
Write down of inventories	–	(153,790)	–	–	–	–	(153,790)
Impairment losses on amount due from subsidiary	–	–	–	–	(1,047,445)	1,047,445	–
Impairment losses on amount due from an associated company					(500,000)	–	(500,000)
Impairment losses on investment in subsidiary	–	–	–	–	(1,301,400)	1,301,400	–
Segment assets	396,545	1,914,250	–	–	3,902,373	(1,808,918)	4,404,250
Segment assets includes:							
Investment in associated companies	–	–	–	–	817	(817)	–
Additions to non-current assets	–	42,393	–	–	948,564	–	990,957
Segment liabilities	13,095,398	296,194	–	–	3,148,701	(12,972,065)	3,568,228

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27 Segment information (cont'd)

The segment information provided to management for the reportable segments are as follows (cont'd):

	Luxury Goods $	Distribution $	Switchgear Design and assembly (Discontinued) $	Wholesale/ Retail business (Discontinued) $	Other $	Elimination $	Group $
2019							
Segment revenue	6,774,179	2,006,555	4,750	–	–	–	8,785,484
Segment profit/(loss)	(1,547,413)	(174,347)	(3,487)	5,050,392	(659,265)	(5,042,357)	(2,376,477)
Waiver of debt by the Company on receivable from subsidiary	–	–	–	5,054,145	–	(5,054,145)	–
Depreciation	–	(50,685)	(220)	(15,672)	(18,589)	–	(85,166)
Write off of other receivables	(26,838)	–	–	–	–	24,548	(2,290)
Share of loss of associated company	–	–	–	–	(154,518)	–	(154,518)
Segment assets	585,988	2,337,050	6,582	43,713	4,222,698	(1,988,112)	5,207,919
Segment assets includes:							
Investment in associated companies	–	–	–	–	1,100,817	61,280	1,162,097
Additions to non-current assets	–	101,387	–	–	35,985	–	137,372
Segment liabilities	11,671,937	386,572	57,849	57,441	1,065,981	(11,963,232)	1,276,548

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net profit or loss before tax in the consolidated financial statements. Finance costs are not allocated to segments as Group financing is managed on a group basis.

A reconciliation of segment loss to the consolidated loss before tax is as follows:

	2020 **$**	2019 $
Segment loss	**(4,117,463)**	(2,376,477)
Finance costs	**(6,322)**	(2,651)
Loss for the year	**(4,123,785)**	(2,379,128)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27 Segment information (cont'd)

Segment assets

The amounts provided to management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments based on the operations of the segments.

Segment liabilities

The amounts provided to management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments.

Geographical information

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

- Singapore - The Company is headquartered and has operations in Singapore. The operations in this area include investment holding, provision of administrative and management service, distribution of specialty chemical products and consumable material for the electronic industry and switchgear design and assembly services.
- People's Republic of China ("PRC") - The operations in this area include investment holding and sale of luxury goods in Hong Kong.

	Revenue		Non-current assets	
	2020	2019	**2020**	2019
	$	$	**$**	$
Singapore	**1,616,140**	2,011,305	**1,061,921**	1,299,009
PRC	**1,641,710**	6,774,179	**–**	–
	3,257,850	8,785,484	**1,061,921**	1,299,009

Information about major customer

Revenue of approximately $1,234,590 (2019: $1,559,145) are derived from one external customer that contributes more than 10% of the Group revenue and are attributable to the Distribution Segment.

28 Capital management

The objective when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The Group and the Company do not have any external borrowings. The debt-to-adjusted capital ratio therefore does not provide a meaningful indicator of the risk of borrowings.

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2020 and 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29 Subsequent events

i. In January 2021, the Group had drawn down the remaining $7,195,983 from the loan facility from Mission Well (Note 22, Note A(i)). The loan is unsecured and interest free.

ii. On 1 February 2021, the Group announced that 2,998,439,430 Rights Shares were available for subscription under the Rights cum Warrants issue. As at the closing date on 27 January 2021, an application for a total of 2,693,670,727 Rights Shares were received. On the same day, the Group issued 2,693,670,727 Rights Shares and 2,693,670,727 Warrants. Following the allotment and issue of Rights Shares, the number of issued ordinary shares has been increased from 299,843,943 Shares to 2,993,514,670 Shares.

The issuance of Rights Shares included a capitalisation of shareholder loans from Mission Well and Go Best of $9,411,015 and net proceeds amounted to $5,673,541 which was credited to the Group on 4 February 2021.

On 4 February 2021, the Company announced there is an adjustment to the outstanding 2018 Warrants and the exercise price of the 2018 Warrants (“2018 Warrants Adjustment”). In aggregate, the outstanding 2018 Warrants increased from 135,793,193 to 186,715,555 outstanding adjusted 2018 Warrants post-Rights cum Warrants issue at the ratio of 1.375:1. This 2018 Warrant Adjustment also gave rise to an adjustment to the exercise price from $0.02 to the new exercise price of $0.0145.

On 11 March 2021, the Company announced that 17,875 2018 Warrants have been exercised at the exercise price of $0.0145 for each new ordinary share. The 186,697,680 outstanding 2018 Warrants remaining have been expired on 11 March 2021.

Following the allotment and issuance of 17,875 new ordinary share, the issued share capital of the Company is further increased from 2,993,514,670 ordinary shares to 2,993,532,545 ordinary shares by way of allotment and issue of 17,875 with effect from 15 March 2021.

iii. On 18 March 2021, the Group incorporated a wholly-owned subsidiary Incredible Watch & Jewellery Pte. Ltd, a company incorporated in Singapore, for an issued paid-up capital of $1.

30 Impact of COVID-19

In March 2020, the World Health Organisation declared the Coronavirus Disease (“COVID-19”) outbreak to be a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economy and this has impacted the Group’s operations and its financial performance.

As the situation evolves, the director and management do not consider it practicable to provide a quantitative estimate of the potential impact of the outbreak on the Group’s subsequent financial statements. Notwithstanding this, the director and management have assessed that the Group will still be able to maintain sufficient liquidity at least for the next 12 months from the date of authorisation of these financial statements.

31 Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 14 April 2021.

STATISTICS OF SHAREHOLDINGS

As at 16 March 2021

Share Capital Information

Issued and paid-up share capital	S$53,937,032
Number of Shares	2,993,532,545
Class of shares	Ordinary share
Voting rights	One vote per share
Number of treasury shares and subsidiary holdings held	Nil

Distribution of Shareholdings as at 16 March 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	1293	43.79	35,289	0.00
100 – 1,000	966	32.71	253,641	0.01
1,001 - 10,000	176	5.96	590,716	0.02
10,001 - 1,000,000	387	13.11	105,788,994	3.53
1,000,001 AND ABOVE	131	4.44	2,886,863,905	96.44
Total	2,953	100.00	2,993,532,545	100.00

List of 20 Largest Shareholders as at 16 March 2021

No.	Name	No. of Shares	%
1	MISSION WELL LIMITED	1,709,659,281	57.11
2	MAYBANK KIM ENG SECURITIES PTE.LTD	287,296,256	9.60
3	RAFFLES NOMINEES(PTE) LIMITED	67,603,005	2.26
4	PHILLIP SECURITIES PTE LTD	65,686,345	2.19
5	HSBC (SINGAPORE) NOMINEES PTE LTD	63,727,500	2.13
6	KOH KAH BENG (XU JIAMING)	62,400,001	2.08
7	GOH GUAN SIONG (WU YUANXIANG)	36,011,000	1.20
8	CHONG VOON TECK	35,000,001	1.17
9	TAN LYE SENG	33,306,752	1.11
10	NG NGEE HUNG	29,642,150	0.99
11	NG SENG HONG	26,500,000	0.89
12	TEO EE PING	22,000,001	0.73
13	WONG HAN YEW	20,000,046	0.67
14	LEOW MENG HONG	19,554,510	0.65
15	GOH RUI REN	15,000,000	0.50
16	UOB KAY HIAN PTE LTD	14,757,205	0.49
17	YEO KOK HIONG	11,131,800	0.37
18	OCBC SECURITIES PRIVATE LTD	10,825,881	0.36
19	LIM ZHI CONG (LIN ZHICONG)	10,000,000	0.33
20	YEO LAI KUAN	10,000,000	0.33
	TOTAL	**2,550,101,734**	**85.19**

STATISTICS OF SHAREHOLDINGS

As at 16 March 2021

Substantial Shareholders as at 16 March 2021

(As shown in the Register of Substantial Shareholders)

Name of Shareholders	Direct Interest	%	Deemed Interest	%
Christian Kwok-Leun Yau Heilesen	–	–	1,770,461,781	59.14
Zhou QiLin	207,854,251	6.94	–	–
Mission Well Limited	1,709,659,281	57.11	–	–

Percentage of Shareholdings in Public Hands

Based on information available to the Company as at 31 December 2020 approximately 40.02% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Section B: Rules of Catalist of the SGX-ST Listing Manual is complied with.

Notes:

Christian Kwok-Leun Yau Heilesen ("CKLY") is deemed interested in 1,709,659,281 shares held by Mission Well Limited as he is the sole shareholder and director of Mission Well Limited. Furthermore, he is also deemed to be interested in 60,802,500 shares held by CKLY Family Trust through HSBC (Singapore) Nominees Pte Ltd (which the beneficiaries are family members of CKLY).

DISTRIBUTION OF WARRANT HOLDINGS

As at 16 March 2021

Statistics of Warrant Holdings (W240204) as at 16 March 2021

Exercise Price:	$0.012 (1.2 cents) for each new share on the exercise of a warrant
Exercise Period:	Commencing on 2 February 2021 and expiring at 5:00 p.m. 1 February 2024 pursuant to the Deed Poll
Warrant Agent:	KCK Corpserve Pte Ltd

Note: W210311 has expired and delisted on 12 March 2021.

Distribution of Warrant holdings as at 16 March 2021

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
100 – 1,000	1	0.37	12	0.00
1,001 - 10,000	5	1.84	2,399	0.00
10,001 - 1,000,000	12	4.41	43,621	0.00
1,000,001 AND ABOVE	139	51.10	46,337,655	1.72
Total	272	100.00	2,693,670,727	100.00

List of 20 Largest Warrant holders as at 16 March 2021

No.	Name	No. of Shares	%
1	MAYBANK KIM ENG SECURITIES PTE.LTD	1,625,263,325	60.336
2	MISSION WELL LIMITED	160,746,605	5.968
3	PHILLIP SECURITIES PTE LTD	58,025,000	2.154
4	LILYANTI RUSLI	51,170,500	1.900
5	WONG HAN YEW	50,001,000	1.856
6	HSBC (SINGAPORE) NOMINEES PTE LTD	41,599,800	1.544
7	LAU HAW PING	41,576,500	1.543
8	UOB KAY HIAN PTE LTD	40,000,000	1.485
9	CHIA KAR SOCK	36,010,000	1.337
10	RAFFLES NOMINEES(PTE) LIMITED	35,000,001	1.299
11	TAN CHIP SIN	30,000,001	1.114
12	NG SENG HONG	26,500,000	0.984
13	LEE WAH HENG @YEE AH HENG	22,000,001	0.817
14	TEO EE PING	21,000,001	0.780
15	DBS NOMINEES PTE LTD	20,010,000	0.743
16	TANSRI SARIDJU BENUI @CHEN BING WEN	18,000,000	0.668
17	NG SONG HOY THERESA	15,000,000	0.557
18	TAN GEK POEY	14,949,901	0.555
19	NEO CHIN LEONG	11,120,000	0.413
20	WONG CHOO HIN	10,025,000	0.372
	TOTAL	**2,327,997,635**	**86.43**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be convened and held by electronic means on Friday, 30 April 2021 at 12:00 p.m. (of which there will be a live webcast) for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2020 and the Directors' Statement and Auditors' Report thereon. **(Resolution 1)**

2. To approve the Directors' fees of **S$120,000** (2019: **S$120,000**) for the financial year ended 31 December 2020. **(Resolution 2)**

3. To re-elect Ms Zhou Jia Lin, a Director who will retire pursuant to Regulation 89 of the Constitution of the Company: **(Resolution 3)**

   Detailed information of Ms Zhou Jia Lin can be found under the sections, "Directors' Profile" in the Annual Report and "Key Information of Directors" in the Corporate Governance Statement contained in the Annual Report.

4. To re-elect Mr Leung Kwok Kuen Jacob, a Director who will retire pursuant to Regulation 89 of the Constitution of the Company. **(Resolution 4)**

   Mr Leung Kwok Kuen Jacob will upon re-election as Director of the Company, remain as member of the Audit Committee. Detailed information of Mr Leung Kwok Kuen Jacob can be found under the sections, "Directors' Profile" in the Annual Report and "Key Information of Directors" in the Corporate Governance Statement contained in the Annual Report.

5. To re-appoint Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

SPECIAL BUSINESS

To consider and if thought fit, pass the following ordinary resolutions, with or without modifications:-

6. Authority to issue shares

   (a) "That pursuant to Section 161 of the Companies Act, and the rules under Section B: Rules of Catalist of the SGX-ST Listing Manual (the "Rules of Catalist"), approval be and is hereby given to the Directors of the Company, to:

      (i) issue shares in the capital of the Company (the "Shares") whether by way of rights, bonus or otherwise; and/ or

      (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that

      (i) the aggregate number of shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 100% of the total number of issued Shares excluding treasury shares and subsidiary holdings, of which the aggregate number

NOTICE OF ANNUAL GENERAL MEETING

of Shares and convertible securities to be issued other than on a pro rata basis to existing shareholders of the Company does not exceed 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings, and for the purpose of determining the aggregate number of Shares and Instruments that may be issued under this resolution, the percentage of the total number of issued Shares excluding treasury shares and subsidiary holdings shall be based on the Company's total number of issued Shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist of the SGX-ST;

(c) any subsequent bonus issue, consolidation or subdivision of Shares,

and adjustments in accordance with (a) or (b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution; and

(ii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Rules of Catalist of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST or the Sponsor) and the Constitution for the time being of the Company; and

(iii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 6)
(See Explanatory Note 1)

7. Authority to grant awards and issue shares under the Incredible Holdings Performance Share Plan (formerly known as Vashion Performance Share Plan)

"That pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors to grant awards in accordance with the provisions of the Incredible Holdings Performance Share Plan ("Incredible Holdings PSP") (formerly known as Vashion Performance Share Plan) and to allot and issue and /or transfer from time to time such number of fully paid-up shares as may be required to be issued and/or transferred pursuant to the vesting of awards under the Incredible Holdings PSP, provided that:

(i) the aggregate number of new shares to be issued and/or existing shares to be transferred pursuant to the vesting of awards granted or to be granted under the Incredible Holdings PSP and all other share based schemes of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) on the day preceding that date; and

(ii) to apply any share purchased or acquired under any share purchase mandate and to deliver such existing shares (including any treasury shares) towards the satisfaction of awards granted under the Incredible Holdings PSP."

(Resolution 7)
(See Explanatory Note 2)

NOTICE OF ANNUAL GENERAL MEETING

ANY OTHER BUSINESS

8. To transact any other business which may properly be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Executive Director
Christian Kwok-Leun Yau Heilesen
14 April 2021

Explanatory Notes on Special Business:

1. The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower Directors of the Company from the date of the above Meeting until the next Annual General Meeting ("**AGM**") to issue Shares and convertible securities in the Company up to an amount not exceeding in aggregate 100 per cent of the total number of the Company's issued Shares excluding treasury shares and subsidiary holdings, of which the total number of Shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 50 percent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. Rule 806(2) of the Rules of Catalist currently provides that the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company for this purpose shall be the total number of issued Shares excluding treasury shares and subsidiary holdings at the time this resolution is passed (after adjusting for new Shares arising from the conversion of convertible securities or share options on issue at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's Shares). This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

2. The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the directors to offer and grant awards pursuant to the Incredible Holdings PSP and to issue shares or transfer existing shares of the Company pursuant to the vesting of awards granted under the Incredible Holdings PSP provided that: (a) the aggregate number of new shares to be issued and/or existing shares to be transferred shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) on the date preceding the relevant date of award. The Incredible Holdings PSP was approved by shareholders at the extraordinary general meeting held on 6 September 2017.

Notes:

The AGM will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. This Notice and Proxy Form can be accessed and downloaded from the Company's website and the SGX website.

The Company is arranging for a live webcast of the AGM proceedings (the "Live AGM Webcast") which will take place on 30 April 2021 at 12:00 p.m. **Shareholders will be able to watch the AGM proceedings through the Live AGM Webcast using their computers, tablets or mobile phones. The Company will not accept any physical attendance by shareholders.**

Shareholders will be able to participate in the AGM in following manner set out in the paragraphs below.

Live Webcast:

1. Shareholders may watch the AGM proceedings through the Live AGM Webcast. To do so, shareholders will need to register at https://zoom.us/webinar/register/WN_IGL0E2bDQ5asL0wK39dyzw (the "Registration Link") by 12:00 p.m. on 27 April 2021 (the "Registration Deadline") to enable the Company to verify their status.

2. Following verification, authenticated shareholders will receive an email by 12:00 p.m. on 29 April 2021 containing a link to access the live audio-visual webcast of the AGM proceedings as well as a toll-free telephone number to access the live audio-only stream of the AGM proceedings.

NOTICE OF ANNUAL GENERAL MEETING

3. Shareholders must not forward the abovementioned link or telephone number to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast.

4. Shareholders who register by the Registration Deadline but do not receive an email response by 12:00 p.m. on 29 April 2021 may contact the Company by email to incredible-agm@kckcs.com.sg

Submission of Proxy Forms to Vote:

1. Shareholders who wish to vote at the AGM may submit a proxy form to appoint the Chairman of the AGM to cast votes on their behalf.

2. A shareholder (individual or corporate) who appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid

3. The proxy form (a copy of which is also attached hereto), duly completed and signed, must be submitted by mail to 333 North Bridge Road, #08-00 KH KEA Building, Singapore 188721 or via email to the Company at incredible-agm@kckcs.com.sg **by no later than 12:00 p.m. on 27 April 2021, being 72 hours before the time fixed for the AGM.**

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

4. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 12:00 p.m. on 20 April 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

Please note that shareholders will not be able to vote through the live webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.

Submission of Questions:

1. Shareholders may submit questions relating to the items on the agenda of the AGM via the Registration Link. All questions must be submitted by 12:00 p.m. on 23 April 2021.

2. The Company will endeavour to address the substantial and relevant questions at or before the AGM. The responses to such questions from shareholders, together with the minutes of the AGM, will be posted on the SGXNet and the Company's website within one month after the date of the AGM.

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

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 number: +65 6415 9881.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting this instrument appointing Chairman of the AGM as proxy to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

In the case of a member who is a relevant intermediary, by submitting an instrument containing the personal data of individuals, such member (i) warrants that it has obtained the prior consent of such individuals for the collection, use and disclosure by the Company (and/or its agents or service providers) of the personal data of such individuals in connection with their participation in the broadcast of the AGM (including any adjournment thereof) for the said Purposes, and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

INCREDIBLE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
Registration No. 199906220H

IMPORTANT

1. This Proxy Form is not valid for use by investors who hold ordinary shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including SRS investors), if they wish to vote, CPF and SRS investors should approach their respective CPF Agent Banks and SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 20 April 2021). Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 April 2021.

I/We, ____

of ____

being *a member/members of INCREDIBLE HOLDINGS LTD. (the "Company"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") of the Company, as my/our proxy/proxies, to vote for me/us on my/our behalf at the AGM of the Company to be held by electronic means on Friday, 30 April 2021 at 12:00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM in the spaces provided hereunder.

In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Please indicate your vote "For" or "Against" or "Abstain" with a tick [√] or cross (x) within the box provided.

No.	Ordinary Resolutions	No. of Votes or indicate with a tick cross (x) or tick (√)		
		For	Against	Abstain
1.	To receive and adopt the Audited Accounts for the financial year ended 31 December 2020 and the Directors' Statement and Auditors' Report thereon.			
2.	To approve the Directors' fee of S$120,000 for the financial year ended 31 December 2020.			
3.	To re-elect Ms Zhou Jia Lin, a Director of the Company, pursuant to Regulation 89 of the Constitution.			
4.	To re-elect Mr Leung Kwok Kuen Jacob, a Director of the Company pursuant to Regulation 89 of the Constitution.			
5.	To re-appoint Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
6.	To authorize Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.			
7.	To authorise Directors to grant awards and issue shares under the Incredible Holdings Performance Share Plan.			

* delete where applicable
** All resolutions would be put to vote by poll in accordance with the Listing Rules of Catalist of the Singapore Exchange Securities Trading Limited.

Please cross (X) or tick (√) or indicate the number of votes within the box provided. A cross or tick would represent you are exercising all your votes "For" or "Against" or "Abstain" from the relevant resolution.

Dated this __________ day of ______________ 2021.

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THE PROXY FORM

Notes:

Due to the fast-evolving COVID-19 situation in Singapore, the Company is taking the relevant steps in accordance with Part 4 of the COVID-19 (Temporary Measures) Act 2020. The Company's Annual Report 2020, Notice of AGM and this proxy form has been made available on SGXNet and the Company's corporate website at www.incredible.sg. A printed copy of Annual Report 2020, Notice of AGM and this Proxy Form will **NOT** be despatched to members. Please refer to the Notice of AGM for the alternative arrangement for the AGM.

1. This instrument appointing Chairman of the AGM as proxy must be under the hand of the appointer or his attorney duly authorized in writing. Where this instrument is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

2. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its Constitution of the Company and Section 179 of the Companies Act, Chapter 50 of Singapore.

3. This instrument together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must either be (a) submitted by mail to 333 North Bridge Road, #08-00 KH KEA Building, Singapore 188721; or (b) submitted by email to incredible-agm@kckcs.com.sg, not later than 27 April 2021 at 12:00 p.m. which is 72 hours before the time set for the meeting.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

5. The Company shall be entitled to reject this if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

6. Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

INCREDIBLE HOLDINGS LTD.
(Company Registration Number: 199906220H)

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Singapore 757322

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