IntelliCentrics

IntelliCentrics Global Holdings Ltd.
中智全球控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 6819

INTERIM REPORT 2022

Contents

Corporate Information

DIRECTORS

Executive Directors:

Mr. Lin Tzung-Liang *(Chairman)*
Mr. Michael James Sheehan *(Chief Executive Officer)*

Non-executive Directors:

Mr. Lin Kuo-Chang
Mr. Leo Hermacinski

Independent Non-executive Directors:

Mr. Hsieh Yu Tien
Mr. Wong Man Chung Francis
Ms. Huang Yi-Fen *(retired on December 15, 2022)*
Mr. Liao Xiaoxin *(appointed on February 20, 2023)*

AUDIT COMMITTEE

Mr. Wong Man Chung Francis *(Chairman)*
Mr. Leo Hermacinski
Ms. Huang Yi-Fen *(retired on December 15, 2022)*
Mr. Liao Xiaoxin *(appointed on February 20, 2023)*

REMUNERATION COMMITTEE

Mr. Hsieh Yu Tien *(Chairman)*
Mr. Lin Kuo-Chang
Mr. Wong Man Chung Francis

NOMINATION COMMITTEE

Mr. Lin Tzung-Liang *(Chairman)*
Mr. Hsieh Yu Tien
Ms. Huang Yi-Fen *(retired on December 15, 2022)*
Mr. Liao Xiaoxin *(appointed on February 20, 2023)*

ADMINISTRATION COMMITTEES

RSA Scheme for Non-Connected Persons

Mr. Michael James Sheehan
Mr. Wong Man Chung Francis

RSA Scheme for Core Connected Persons

Mr. Lin Tzung-Liang
Mr. Hsieh Yu Tien

JOINT COMPANY SECRETARIES

Mr. Hung Kuo Yuan
Ms. Leung Shui Bing

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

GLOBAL HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE U.S.

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Texas 75022
United States of America

REGISTERED OFFICE

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Suite 102, Cannon Place
North Sound Rd.
George Town
P.O. Box 712
Grand Cayman KY1-9006
Cayman Islands

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Gold-In (Cayman) Co., Ltd.
Suite 102, Cannon Place
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George Town
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Grand Cayman KY1-9006
Cayman Islands

AUTHORISED REPRESENTATIVES

Mr. Michael James Sheehan
Mr. Hung Kuo Yuan

HONG KONG SHARE REGISTRAR

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Hong Kong

INDEPENDENT AUDITOR

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77 Leighton Road
Causeway Bay
Hong Kong

LEGAL ADVISER

Sullivan & Cromwell (Hong Kong) LLP
20th Floor, Alexandra House
18 Chater Road, Central
Hong Kong

PRINCIPAL BANKERS

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3003 Tasman Drive
Santa Clara, CA 95054
USA

EnTie Commercial Bank
8F No. 337 Fusin N. Rd
Taipei City 10544
Taiwan R.O.C.

Shanghai Commercial and Savings
3F No. 69 Minquan W. Rd
Zhongshan District
Taipei city 10491
Taiwan R.O.C.

STOCK CODE

6819

COMPANY WEBSITE

www.intellicentrics-global.com

Management Discussion and Analysis

BUSINESS OVERVIEW

Since the onset of the COVID-19 pandemic, the Group has delivered our service without interruption. We have continually taken measures in response to the pandemic that have been required by government authorities or that were determined to be in the best interests of our employees, subscribers, LoCs, and Shareholders. However, mainly due to COVID-19 measures, the government-imposed restrictions on access to healthcare had materially and momentarily delayed demand of healthcare procedures. The delays of patient procedures of all types have resulted in unprecedented backlog of demand, as disease and chronic health issues remain constant.

The Group's subscriber trend has strengthened as restrictions are lifted, and as a result our total number of subscribers increased to 126,606 subscribers, representing a 4.7% increase compared to December 31, 2021. The Group continues to monitor the variants of COVID-19 and support the healthcare industry with platform solutions in this new normal. As of December 31, 2022, we had 9,930 Registered LoCs, which represents a 3.5% decrease as compared to December 31, 2021.

As compared to the same period ended December 31, 2021, the Group's revenue increased by 7.8% to US$22.2 million, gross profit increased by 10.3% to US$19.8 million, and adjusted EBITDA decreased by 58.2% to US$1.5 million. The gross profit increase is primarily related to increased subscribers, and the reduction in cost of revenues for our eBadge technology. The Group also synchronised deployment of sales and marketing efforts with the tepid recovery of the healthcare industry and continued to invest in R&D. We are committed to the continuous enhancement of the value of our technology platform and network. Total R&D investment for the 6 months ended December 31, 2022, were US$7.6 million of which US$2.4 million was capitalised and US$5.2 million expensed in the period. For the 6 months ended December 31, 2021, the corresponding amounts were US$6.7 million, US$2.5 million, and US$4.2 million, respectively.

The Company has continued to invest in technology products such as BioBytes™, Medical Staff Credentialing, and continued expansion into Taiwan virtual medical consultations. Our business strategy continues to focus on connecting the supply side of healthcare with the demand side of healthcare on a technology platform that delivers trusted interactions.

For the 6 months ended December 31, 2022, the net loss was US$4.2 million compared to a net loss of US$9.2 million for the 6 months ended December 31, 2021. As previously disclosed to the market, the Group had incurred and subsequently wrote off an unauthorized disbursement in the amount of US$6.0 million in the 6 months ended December 31, 2021, which effect was partially offset by an increase in operating costs incurred during the 6 months ended December 31, 2022 to implement the Group's strategic initiatives.

OUTLOOK

The impacts of COVID-19 continue to affect the healthcare industry which makes trusted interaction and policy enforcement a key element for healthcare to manage. Regulatory changes which are being rolled out in support of the Center for Disease Control recommendations and global "learnings" from COVID-19 highlight the need for agile, scalable technology solutions. Moreover, as healthcare still lags behind most major industries in adoption of digitization, creating technology is the most effective path forward. Technology and regulatory compliance are part of our core business, especially where locations are dependent on highly complex and every changing supply chains.

The size and scale of healthcare requires a reliance on technology solutions as the only reasonable option. Management believes these macro market drivers favor the Company's unique value proposition of connecting the supply and demand sides of care on a single, extensible, trusted, and end-to-end technology platform is one of the most efficient and cost-effective solutions available in the market today. Our solutions work across virtually all geographical locations and perform as well on premises as they do online. As a result, we expect our growth will come from three key areas which are:

(a) **Expansion into all types of LoCs on the platform including the home healthcare market.** We have recently partnered with Taiwan providers and LoCs to provide telemedicine visits which allows patients to communicate with healthcare providers using technology, as opposed to physically visiting a doctor's office or hospital. In addition, our Bio Byte technologies allow for remote patient monitoring. This allows caregivers to monitor patients who use mobile medical equipment to collect data on things like blood pressure, blood sugar levels, etc.

(b) **Growth of the community and technology of the platform.** We use our attractive, extensible and open technology platform to extend our markets and capabilities through strategic alliances and innovative partnerships. As one of the open solutions that welcome all trusted people, places and devices, our multinational platform provides markets and sales channels to partners. Each time we attract a new alliance and partnership, the value of the platform grows exponentially for everyone in our healthcare community.

(c) **Regional leadership for geographic expansion.** Dedicated commercial leadership in each region we serve creates closer relationships with customers. These close relationships will improve our market sensing capabilities, further enhancing our ability to anticipate new and leading market trends. Moreover, these regional executives will lead the Company's geographic expansion efforts, operating verticals, partnerships, and humanitarian efforts.

Assets

Total assets of the Group decreased from US$74.4 million as at June 30, 2022 to US$62.9 million as at December 31, 2022. The decrease is driven by purchases of RSA shares US$0.8 million, repayment of borrowings US$3.8 million and expenses associated with technology development for MSO and new products US$2.4 million and increased operating costs in implementing Group initiatives.

Liquidity

Our working capital improved from US$(19.1) million as of June 30, 2022 to US$(11.9) million as of December 31, 2022. As of December 31, 2022 , the current ratio of 0.7 remained the same as at June 30, 2022. Our subscribers pay their fees at the beginning of their annual term providing the Company with a cash inflow and therefore there is no credit risk for accounts receivable.

As the future of the COVID-19 pandemic variants, government actions, and financial markets reactions remain unknown, the Group and its Board cannot reliably predict the extent to which the business, its assets, and future liquidity will be impacted. At present, the Group does not see any material change to its operating capabilities, assets, liquidity, or credit.

FINANCIAL REVIEW

Results of Operations

This interim report is reporting results of operations for the 6-month period from July 1, 2022 to December 31, 2022 as compared to the 6-month period from July 1, 2021 to December 31, 2021.

The following table sets forth certain income and expense items from our unaudited interim condensed consolidated statements of profit or loss for the periods indicated:

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Revenue	**22,181**	20,572
Cost of revenue	**(2,392)**	(2,633)
Gross profit	**19,789**	17,939
Selling and marketing expenses	**(2,613)**	(1,852)
General and administrative expenses	**(12,501)**	(10,648)
R&D expenses	**(8,043)**	(7,325)
Other income/(loss)	**86**	(10)
Operating loss	**(3,282)**	(1,896)
Finance costs	**(967)**	(787)
Finance income	**183**	56
Other non-operating income/(expense)	**19**	(6,325)
Share of loss of a joint venture, net of tax	**—**	(97)
Loss before income tax	**(4,047)**	(9,049)
Income tax expense	**(167)**	(105)
Loss for the period	**(4,214)**	(9,154)
Non-IFRS Financial Measures		
Adjusted — Earnings before interest, taxes, depreciation, and amortisation	**1,548**	3,700

Non-IFRS Measures

The Company has presented certain non-IFRS measures in this interim report to provide additional information that the management believes is useful to the reader in gaining a more complete understanding of the operational performance and of the trends. Non-IFRS measures may not be comparable to similarly named measures used by other companies. They do not replace and should not be considered comparable to IFRS measures. Non-IFRS measures are not a substitute for a user's calculation and analysis of the financial results as reported under IFRS in this interim report.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) is a non-IFRS financial measure. The Company believes that each of the non-operating expense items listed below was not an expense arising out of or ancillary to the core business of the Group, being (i) the offering of medical and vendor credentialing solutions for compliance and security purposes in the healthcare industry and (ii) the provision of add-on services, comprising of radiation exposure monitoring, immunizations and vaccinations, criminal background checks and general and professional liability insurance referrals. The Group adopts adjusted EBITDA in its financial and operating decision-making because it reflects the Group's ongoing operating performance in a manner that allows for more meaningful period-to-period comparisons. The Group believes the use of adjusted EBITDA provides investors with greater visibility in understanding and evaluating its operating performance and future prospects the way the management does by excluding the above mentioned non-operating expense and the income tax benefit, net interest expense, depreciation of property and equipment, and amortisation and impairment of intangible assets during the reporting period, which are non-recurring in nature or may not be reflective of the Company's core operating results and business outlook.

Adjusted — EBITDA

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)	$ Change	% Change
Loss for the period	**(4,214)**	(9,154)	4,940	(54.0)
Income tax expense	**(167)**	(105)	(62)	59.0
Loss before income tax	**(4,047)**	(9,049)	5,002	(55.3)
Interest income, net	**782**	647	135	20.9
Loss before interest and taxes	**(3,265)**	(8,402)	5,137	(61.1)
Depreciation	**1,711**	2,275	(564)	(24.8)
Amortisation	**3,121**	3,321	(200)	(6.0)
Other non-operating income	**(19)**	6,506	(6,525)	(100.3)
Adjusted EBITDA	**1,548**	3,700	(2,152)	(58.2)

We use adjusted EBITDA, which represents net income before (i) income tax expense, and net interest (income)/expense, and (ii) certain non-cash expenses, consisting of depreciation of property and equipment, rent cost relating to certain right-of-use assets, amortisation and other non-operating (income)/expense, including share of results of equity (joint venture) investees, which we do not believe are reflective of our core operating performance during the periods presented.

Other non-operating expenses for the 6 months ended December 31, 2021 included US$6.0 million related to unauthorized disbursements, US$93 thousand related to losses from investment in joint venture and US$394 thousand related to potential acquisitions. Other non-operating income for the 6 months ended December 31, 2022 related to potential acquisitions refunds.

FINANCIAL POSITION

Working Capital

Our working capital improved to negative working capital of US$11.9 million as at December 31, 2022, from negative US$19.1 million as at June 30, 2022, primarily as a result of reclassification of US$15.0 million in borrowings classified as current for the period ended June 30, 2022 and being classified as non-current liabilities as of December 31, 2022.

Current Ratio

Our current ratio as at December 31, 2022 was 0.7, which remained the same as the current ratio as at June 30, 2022. Current ratio is calculated as current assets divided by current liabilities as at the date indicated. Our total current liabilities as at December 31, 2022 was US$41.1 million (as at June 30, 2022: US$58.7 million), of which US$20.7 million were contract liabilities (as at June 30, 2022: US$22.6 million). Our contract liabilities represent prepayments by subscribers for which services had not been rendered in full as at the relevant balance sheet date. Such prepaid fees are expected to be recognized as the Group's revenue over the course of the next 12 months upon our delivery of the relevant services.

Gearing Ratio

The gearing ratio is a measure of financial leverage that demonstrates the degree which a firm's operations are funded by equity capital versus debt financing by calculating (i) total debts divided by (ii) total equity. The gearing ratio increased to 3,480.5% as at December 31, 2022, from 444.0% as at June 30, 2022. Such increase was primarily due to a decrease in our retained earnings attributable to the net operating losses for the 6 months ended December 31, 2022. As at December 31, 2022, the reduction in equity attributable to our RSA scheme reserve was US$30.6 million (as at June 30, 2022: US$30.4 million).

LIQUIDITY AND FINANCIAL RESOURCES

Our Group's financing and treasury activities are centrally managed and controlled at the corporate level. The Group's overall treasury and funding policies focus on managing financial risks. This includes interest rate and foreign exchange risks, cost-efficient funding of the Company and its subsidiaries, and yield enhancement from time-to-time when the Group's cash position allows. The Group has always adhered to prudent financial management principles including the selection of investment securities according to the Group's treasury investment policy.

Our primary uses of capital are to satisfy our working capital needs and to fund our R&D and market acquisition initiatives. Our working capital is predominantly financed from cash generated from our operating activities, comprised of cash payments received from our annual subscription memberships and add-on services, and bank borrowings. In managing our liquidity, our management monitors and maintains a reasonable level of cash and cash equivalents deemed adequate by our management to finance our operations and to mitigate the impacts of fluctuations in cash flows. The main sources of liquidity are cash and cash equivalents on hand, and the cash generated from operating activities.

As at December 31, 2022, the cash and cash equivalents, net current assets/liabilities, and total assets less current liabilities were US$17.5 million, US$(11.9) million, and US$21.8 million compared to US$23.5 million, US$(19.1) million, and US$15.7 million as at June 30, 2022, respectively.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

We operate mainly in the U.S. with most of the transactions settled in U.S. dollars. Our management considers that our business is not exposed to any significant foreign exchange risk as we have no significant financial assets or liabilities denominated in the currencies other than US$. During the 6 months ended December 31, 2022, the Company did not issue any financial instruments for hedging purposes. As we monitor the growth of the Company in association with the local revenue and expenses, the management will consider hedging significant foreign currency exposure should the need arise.

Cash and cash equivalents, short-term bank deposits, restricted cash, and promissory notes are denominated in the following currencies:

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
USD	**24,635**	32,858
HKD	**2,185**	2,788
GBP	**421**	625
NTD	**39**	36
CAD	**32**	42
EUR	**16**	1
Total	**27,328**	36,350

INDEBTEDNESS

Borrowings

Our total borrowing balance as at December 31, 2022, was US$24.7 million with variable interest rates per annum ranged between 3.60%–6.22% compared to US$28.5 million with variable interest rates per annum ranged between 1.68%–4.80% as at June 30, 2022. The Group made a US$3.75 million repayment towards the EnTie bank US$30.0 million long-term borrowing facility. As at December 31, 2022, there were no borrowings with fixed interest rates. The borrowings are secured by certain bank deposits and are in US$.

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Borrowings		
— Current	**12,723**	28,511
— Non-current	**12,023**	—
Total	**24,746**	28,511

CONTINGENT LIABILITIES

As at December 31, 2022, the Company had the following contingent liabilities:

In April 2018, a former employee of the Group's subsidiary, IntelliCentrics, Inc., filed a lawsuit in Denton County, Texas, U.S., against IntelliCentrics, Inc. The former employee asserted certain claims: breach of employment agreement and age discrimination. As at the date of this interim report, the lawsuit is ongoing. In review of the status with our external counsel, the Group does not expect an adverse outcome and no provision is recorded.

In April 2022, a former employee of the Group's subsidiary, IntelliCentrics, Inc., filed a lawsuit against IntelliCentrics, Inc. The former employee asserted certain claims: breach of employment agreement and wrongful termination. As at the date of this interim report, the lawsuit is ongoing. In review of the status with our external counsel, the Group does not expect an adverse outcome and no provision is recorded.

Except as disclosed above, as at December 31, 2022, the Group did not have other material contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As of December 31, 2022, the Group had 164 employees (June 30, 2022: 143 employees). Total staff remuneration expenses including Directors' remuneration for the 6 months ended December 31, 2022, equals US$13.7 million (December 31, 2021: US$11.5 million). Remuneration is determined, in accordance with the prevailing industry practice, with reference to performance, skills, qualifications, and experience of the staff members. In addition to salary payments made by the Group, other staff benefits include social insurance and housing provident contributions, performance-based compensation, and discretionary bonus. Employee remuneration is reviewed annually to local market trends. The Group has also adopted the Pre-IPO Share Option Scheme, and the RSA Scheme, the RSA Scheme for Core Connected Persons to attract, retain, and incentivise our key employees to accelerate the Company's growth.

On December 1, 2021, the Board approved and adopted the Employee Retention and Recognition Program, pursuant to which performance-based restricted shares awards would be granted to all employees in accordance with the rules governing the RSA Scheme.

The remuneration of the Directors is reviewed by the Remuneration Committee and approved by the Board. When determining the emolument of a Director, the following considerations are given: experience, duties and responsibilities, time commitment, and the prevailing market conditions.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the 6 months ended December 31, 2022.

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards. During the 6 months ended December 31, 2022, the Company has applied the principles as set forth in the CG Code which are applicable to the Company. In the opinion of the Directors, the Company has complied with all applicable code provisions as set out in the CG Code during the 6 months ended December 31, 2022.

As of the date of this interim report, the Company has a single gender Board. Noting that a single gender board will not be considered as having achieved board diversity, the Company will take appropriate measures to review the structure and composition of the Board and appoint a Director of a different gender on or before December 31, 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. The Company has set additional guidelines at least as strict as the Model Code for transactions of the Company's securities for the relevant employees (as defined in the Listing Rules).

The Company has made specific inquiries to all Directors about their compliance with the Model Code. All Directors confirmed that they complied with the standards specified in the Model Code during the 6 months ended December 31, 2022. The Company has made specific inquiries of relevant employees about their adherence to the guidelines on transactions of the Company's securities. The Company did not notice any violation of the guidelines.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the Shares as may be purchased by the trustee from time to time pursuant to the RSA Schemes, during the 6 months ended December 31, 2022, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the reporting period.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the 6 months ended December 31, 2022, there were no significant investments, acquisitions, or disposals.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As of December 31, 2022, there were no plans for material investments or capital assets outside the normal course of operations.

EVENTS AFTER THE REPORTING PERIOD

KPMG LLP ("KPMG") resigned as the auditor of the Company with effect from February 28, 2023. Crowe (HK) CPA Limited was appointed as the auditor of the Company with effect from February 28, 2023 to fill the casual vacancy arising from the resignation of KPMG and to hold office until the conclusion of the next annual general meeting of the Company.

Save as disclosed above, the Company has no significant events after the reporting period that need to be brought to the attention of the Shareholders.

REVIEW OF INTERIM RESULTS

The interim results have not been reviewed by external auditors. The Audit Committee, with the assistance of the Group's internal audit department has reviewed the unaudited interim results of the Group for the 6 months ended December 31, 2022. It is the opinion of the Audit Committee that the preparation of such interim results had been prepared in accordance with the applicable accounting principles and standards and adequate disclosures have been made.

Directors' Report

The Directors submit their interim report together with the unaudited interim condensed consolidated financial statements for the 6 months ended December 31, 2022.

USE OF PROCEEDS FROM THE COMPANY'S GLOBAL OFFERING

On June 10, 2022, the Board resolve to change the use of net proceeds raised from its IPO (the "Net Proceeds") with effect from that date. For further details, please refer to the Company dated June 10, 2022 (the "June Announcement"). The schedule below sets out (i) the status on the allocation and the usage of the Net Proceeds between March 27, 2019 to April 30, 2022; (ii) the unused amount (the "Unused Amount") of the Net Proceeds as of April 30, 2022 after the re-allocation among various proposed applications; and (iii) the utilization of the Net Proceeds during the 6 months ended December 31, 2022 and the status on the usage of the Net Proceeds as of December 31, 2022; and (iv) the expected timing for the full utilization of the Unused Amount. Since June 10, 2022, the Net Proceeds have been utilized in accordance with the proposed applications as set out in the June Announcement.

Items	**Allocation of the Net Proceeds from the IPO based on the 2018 Annual Report and the 2021 Interim Report of the Company** (HK$ million, approximately)	**The Unused Amount after the re-allocation as of April 30, 2022** (HK$ million, approximately)	**The Unused Amount as of June 30, 2022** (HK$ million, approximately)	**The Used Amount between June 30, 2022 and December 31, 2022** (HK$ million, approximately)	**The Unused Amount as of December 31, 2022** (HK$ million, approximately)	**Expected timeline of the intended use of the Unused Amount, subject to then management assessment, market conditions, and the business operations and financial needs of the Group**
Commercial efforts, supporting each of our geographies[1]	234.60	77.85	67.98	23.04	44.94	Expected to be fully utilised within 24 months of the date of the June Announcement
Increasing technology investment[2]	–	67.07	57.23	18.73	38.50	Expected to be fully utilised within 24 months of the date of the June Announcement
Repaying the principal amount of a bank facility in connection with the Reorganisation	117.70	–	–	–	–	N/A
Funding new and potential mergers, acquisitions and strategic alliances[3]	5.03	19.50	19.50	–	19.50	Expected to be fully utilised within 24 months of the date of the June Announcement
Working capital and other general corporate purposes	39.62	–	–	–	–	N/A
Total	**396.95**	**164.42**	**144.71**	**41.77**	**102.94**	

Loans and expenses are in US$. Conversion to HK$ used the exchange rate of 7.79713.

Notes:

(1) Previously referred to as "sales and marketing efforts, primarily for promoting our newly launched medical credentialing solution and pipeline solutions" before the re-allocation.

(2) It is a newly added application of the Net Proceeds pursuant to the re-allocation.

(3) Previously referred as "funding potential acquisitions and developing strategic alliances" before the re-allocation.

USE OF PROCEEDS FROM THE COMPANY'S GLOBAL OFFERING IN US$

Items	Allocation of the Net Proceeds from the IPO based on the 2018 Annual Report and the 2021 Interim Report of the Company (US$ million, approximately)	The Unused Amount after the re-allocation as of April 30, 2022 (US$ million, approximately)	The Unused Amount as of June 30, 2022 (US$ million, approximately)	The Used Amount between June 30, 2022 and December 31, 2022 (US$ million, approximately)	The Unused Amount as of December 31, 2022 (US$ million, approximately)	Expected timeline of the intended use of the Unused Amount, subject to then management assessment, market conditions, and the business operations and financial needs of the Group
Commercial efforts, supporting each of our geographies[1]	30.09	9.98	8.72	2.95	5.77	Expected to be fully utilised within 24 months of the date of the June Announcement
Increasing technology investment[2]	–	8.60	7.34	2.40	4.94	Expected to be fully utilised within 24 months of the date of the June Announcement
Repaying the principal amount of a bank facility in connection with the Reorganisation	15.10	–	–	–	–	N/A
Funding new and potential mergers, acquisitions and strategic alliances[3]	0.65	2.50	2.50	–	2.50	Expected to be fully utilised within 24 months of the date of the June Announcement
Working capital and other general corporate purposes	5.08	–	–	–	–	N/A
Total	**50.92**	**21.08**	**18.56**	**5.35**	**13.21**	

Conversion from HK$ used the exchange rate of 7.79713.

Notes:

(1) Previously referred to as "sales and marketing efforts, primarily for promoting our newly launched medical credentialing solution and pipeline solutions" before the re-allocation.

(2) It is a newly added application of the Net Proceeds pursuant to the re-allocation.

(3) Previously referred as "funding potential acquisitions and developing strategic alliances" before the re-allocation.

RESULTS AND DIVIDEND

The results of the Group for the 6 months ended December 31, 2022 are set out in the section headed "Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss" of this interim report. The Board does not recommend the payment of an interim dividend for the 6 months ended December 31, 2022.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As of December 31, 2022, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(a) Interests/short positions in the Shares

Name of Directors or Chief Executive	Nature of interest	Number of Shares[1]	Approximate percentage of interest in the Company
Mr. Lin[2]	Interests in a controlled corporation	285,740,326	63.14%
Mr. Sheehan[3]	Beneficiary of a trust	40,000,000	8.84%
	Beneficial owner	5,366,869	1.19%
Mr. Lin Kuo-Chang	Beneficial owner	680,000	0.15%
Mr. Wong Man Chung Francis	Beneficial owner	270,000	0.06%
Mr. Leo Hermacinski	Beneficial owner	150,915	0.03%
Mr. Hsieh Yu Tien	Beneficial owner	50,000	0.01%

Notes:

(1) All interests stated are long positions.

(2) The entire issued share capital of Ocin Corp. is directly held by Mr. Lin. Accordingly, Mr. Lin is deemed to be interested in the 285,740,326 Shares held by Ocin Corp.

(3) Michael Sheehan Irrevocable Trust is a trust with Mr. Sheehan being a beneficiary and the trustee. Accordingly, Mr. Sheehan is deemed to be interested in the 40,000,000 Shares held by Michael Sheehan Irrevocable Trust. Mr. Sheehan is also interested in 5,000,000 share options granted to him under the Pre-IPO Share Option Scheme entitling him to receive 5,000,000 Shares subject to vesting as well as 366,869 share awards granted to him under the RSA Scheme for Core Connected Persons entitling him to receive 366,869 Shares subject to vesting.

(b) Interests/short positions in the share capital or debentures of the associated corporations of our Company

Name of Director or Chief Executive	Name of associated corporation of our Company	Capacity/nature of interest	Number of Shares[(1)]	Approximate percentage of interest in corporation
Mr. Lin	Ocin Corp.	Beneficial owner	435,800	100.0%

Note:

(1) All interests stated are long positions.

Save as disclosed above, as of December 31, 2022, so far as is known to the Directors or chief executive of the Company, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As of December 31, 2022, so far as was known to any Director or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholders	Capacity and nature of interest	Number of Shares[1]	Approximate percentage of interest in the Company
Ocin Corp.[2]	Beneficial owner	285,740,326	63.14%
Michael Sheehan Irrevocable Trust[3]	Beneficial owner	40,000,000	8.84%
Computershare Hong Kong Trustees Limited[4]	Trustee	23,409,504	5.17%

Notes:

(1) All interests stated are long positions.

(2) The entire issued share capital of Ocin Corp. is directly held by Mr. Lin. Accordingly, Mr. Lin is deemed to be interested in the 285,740,326 Shares held by Ocin Corp.

(3) Michael Sheehan Irrevocable Trust is a trust with Mr. Sheehan being a beneficiary and the trustee. Accordingly, Mr. Sheehan is deemed to be interested in the 40,000,000 Shares held by Michael Sheehan Irrevocable Trust.

(4) Computershare Hong Kong Trustees Limited, in its capacity as trustee of the RSA Scheme, holds 23,409,504 Shares for the purpose of administration of the RSA Scheme.

Save as disclosed above, as of December 31, 2022, the Directors have not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which shall be disclosed to the Company pursuant to Division 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept pursuant to Section 336 of the SFO.

PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme by the Board's resolutions dated August 7, 2018. The purpose of the Pre-IPO Share Option Scheme is to provide certain incentives and to reward the participants for their past contributions to the success of the Group and to maintain or attract business relationships with the grantees whose contributions are, or may be beneficial to the growth of the Company. On February 14, 2019, the Board approved the grant of the share options for an aggregate of up to 11,700,000 Shares. On February 18, 2019, share options were granted to 46 grantees comprising an aggregate of 11,535,000 Shares.

As of December 31, 2022, the Company had net granted share options under the Pre-IPO Share Option Scheme to one grantee for 5,000,000 Shares. As of December 31, 2022, no share options have lapsed under the Pre-IPO Share Option Scheme due to resignation of staff, 3,000,000 share options have been vested, none of the outstanding share options have been exercised, and no share options have been cancelled due to conversion to the RSA Scheme. There were no exercised or cancelled share options as of December 31, 2022.

	Outstanding share options (in thousands)	**Average exercise price** (US$ per Share)	**Aggregate intrinsic value** (US$ in thousands)
Beginning share options authorised at US$0.875	11,700.0	0.875	
Original share options granted on February 18, 2019	11,535.0	0.875	
Lapsed under scheme	(3,072.5)	0.875	
Cancelled	(3,422.5)	0.875	
Balance as at December 31, 2021	**5,040.0**	**0.875**	
Transferred under RSA scheme	(40.0)	0.875	
Balance as at December 31, 2022	**5,000.0**	**0.875**	
Vested	3,000.0	0.875	0
Exercisable at of December 31, 2022	**3,000.0**	**0.875**	**0**

The total intrinsic value is the difference between the current market value of the stock and the exercise price of the option. As of December 31, 2022, the aggregate intrinsic value of vested share options was nil.

Details of the interests of the Director and other employee of the Group in the Pre-IPO Share Option Scheme share options are set out below.

Name of grantees	Main position in the Group	Date of grant	Vesting period	Exercise price (US$ per Share)	Number of shares to be issued upon full exercise of the share options under the Pre-IPO Share Option Scheme (in thousands)
Director of our Company					
Michael James Sheehan	Executive Director and chief executive officer	February 18, 2019	5 years	0.875	5,000.0
Total					**5,000.0**

Subject to the Pre-IPO Share Option Scheme, the share options shall be vested in five even tranches at 20% on February 1, 2020, February 1, 2021, February 1, 2022, February 1, 2023, and February 1, 2024, respectively.

Tranche	Average exercise price (US$ per Share)	Vesting schedule (in thousands)
Financial Year Ended June 2020	0.875	1,000.0
Financial Year Ended June 2021	0.875	1,000.0
Financial Year Ended June 2022	0.875	1,000.0
Financial Year Ending June 2023	0.875	1,000.0
Financial Year Ending June 2024	0.875	1,000.0
Total		**5,000.0**

RSA SCHEMES

The Company adopted the RSA Scheme by the Board's resolutions dated April 26, 2019, the RSA Scheme for Core Connected Persons by Board resolution dated October 20, 2020, (collectively, the "RSA Schemes"). The RSA Schemes are funded by existing shares of the Company. The purposes of the RSA Schemes are: (a) to provide selected participants with an opportunity to acquire a propriety interest in the Company; (b) to encourage and retain such individuals to work with the Group; (c) to provide additional incentive for them to achieve performance goals; (d) to attract suitable personnel for further development of the Group; and (e) to motivate the selected participants to maximise the value of the Company for the benefits of both the selected participants and the Company, with a view to achieving objectives of increasing the value of the Company and aligning the interests of the selected participants directly to the Shareholders through ownership of Shares. The duration of both the schemes are 10 years and the RSA Schemes are overseen by the corresponding administration committees as determined by the Board. The function of administration committees is to approve the grants programs, vesting schedules, Shares purchases, and all other aspects of the RSA Schemes. The RSA Schemes may be used as a supplemental incentive, a performance-based incentive, and time-based awards. Prior to vesting, the Shares are held in the employee share trusts, which are managed by Computershare Hong Kong Investor Services Limited and Tricor Services Limited according to the rules of the trusts. The Board has resolved to amend the rules governing the RSA Scheme and the RSA Scheme for Core Connected Persons to reallocate the maximum Share purchase limits of the RSA Schemes with effect from June 7, 2022. Please refer to the announcement of the Company dated June 8, 2022 for further details.

On December 1, 2021, the Board approved and adopted the Employee Retention and Recognition Program, pursuant to which performance-based restricted shares awards would be granted to all employees in accordance with the rules governing the RSA Scheme.

RSA Schemes

	RSA Scheme			RSA Scheme for Core Connected Persons			Employee Retention and Recognition Program		
	Number of share awards (in thousands)	**Weighted average exercise price** (US$ per Share)	**Aggregate intrinsic value** (US$ in thousands)	**Number of share awards** (in thousands)	**Weighted average exercise price** (US$ per Share)	**Aggregate intrinsic value** (US$ in thousands)	**Number of share awards** (in thousands)	**Weighted average exercise price** (US$ per Share)	**Aggregate intrinsic value** (US$ in thousands)
As at July 1, 2021	6,761	0.842	–	128	–	–	–	–	–
Share awards granted	1,150	1.023	–	–	–	–	1,995	0.920	–
Lapsed under scheme or program	(202)	0.822	–	–	–	–	–	–	–
Exercised	(513)	0.429	–	(128)	–	–	–	–	–
Expired	–	–	–	–	–	–	–	–	–
Cancelled	–	–	–	–	–	–	–	–	–
Balance as at December 31, 2021	7,196	0.904	–	–	–	–	1,995	0.920	–
Vested	1,616	0.879	146	–	–	–	–	–	–
Exercisable as at December 31, 2021	1,616	0.879	146	–	–	–	–	–	–
As at Jan 1, 2022	7,196	0.904	–	–	–	–	1,995	0.920	–
Vested	–	–	–	367	–	–	–	–	–
Granted during the reporting period	3,071	0.878	–	96	–	–	687.1	0.891	–
Forfeited during the reporting period	(4,478)	0.814	–	–	–	–	(541)	0.918	–
Exercised during the reporting period	(567)	1.102	–	–	–	–	(462)	0.803	–
Cancelled during the reporting period	–	–	–	–	–	–	–	–	–
Balance as at June 30, 2022	5,221	0.876	–	462	–	–	1,678	0.876	–
Vested	4,039	0.863	–	462	–	–	489	0.916	–
Exercisable as at June 30, 2022	4,039	0.863	–	462	–	–	489	0.916	–
As at July 1, 2022	5,221	0.876	–	462	–	–	1,678	0.876	–
Granted during the reporting period	1,375	0.873	–	55	–	–	704	0.686	–
Forfeited during the reporting period	(131)	0.809	–	–	–	–	(250)	0.871	–
Exercised during the reporting period	–	–	–	–	–	–	(594)	0.661	–
Cancelled during the reporting period	–	–	–	–	–	–	–	–	–
Balance as at December 31, 2022	6,465	0.875	–	518	–	–	1,539	0.827	–
Vested	4,039	0.863	–	518	–	–	1,083	0.878	–
Exercisable as at December 31, 2022	4,039	0.863	–	518	–	–	1,083	0.878	–

RSA Scheme

Name of grantees	Main position in the Group	Date of grant	Vesting period	Exercise price	Number of Shares to be issued upon full exercise of the share awards under the scheme
Senior Management of our Company					
Hans Moller	Chief financial officer	August 11, 2022	4 years	HKD6.850	1,000,000
		September 1, 2022	1 year		68,571
Michael McDonald	Chief operating officer	February 18, 2019	5 years	USD0.875	500,000
		March 3, 2021	3 years	HKD6.850	350,000
		December 1, 2021	2 years		25,923
Celina Burns	Chief commercial officer	April 25, 2022	4 years	HKD6.850	1,000,000
		June 1, 2022	1.2 years		52,579
Simone Pringle	Chief product officer	February 18, 2019	5 years	HKD6.850	75,000
		December 1, 2021	2 years		54,348
Subtotal:					**3,126,421**
Other Employees in Aggregate and Consultants of our Company		February 18, 2019	5 years	USD0.875	2,016,000
		December 9, 2019	4 years	USD0.875	346,680
		March 3, 2021	4 years	HKD6.850	195,625
		April 1, 2021	4 years	HKD6.850	68,750
		October 10, 2021	4 years	HKD6.850	75,000
		December 1, 2021	2 years		517,385
		January 1, 2022	4 years	HKD6.850	437,500
		March 3, 2022	1.5 years		164,916
		March 21, 2022	4 years	HKD6.850	75,000
		May 1, 2022	4 years	HKD6.850	25,000
		June 1, 2022	1.2 years		168,258
		July 25, 2022	5 years	HKD6.850	75,000
		August 11, 2022	5 years	HKD6.850	150,000
		September 1, 2022	1 years		318,045
		November 1, 2022	5 years	HKD6.850	75,000
		December 1, 2022	0.8 years		168,641
Total					**8,003,221**

As of December 31, 2022, the RSA Scheme had 199 grantees.

RSA Scheme for Core Connected Persons

Name of grantees	Main position in the Group	Date of grant	Vesting period	Exercise price	Number of Shares to be issued or issued upon full exercise of the share awards under the scheme
Director of our Company					
Michael James Sheehan	Executive Director and chief executive officer	January 18, 2021	65% on June 30, 2021 and 35% on October 1, 2021	—	366,869
Leo Hermacinski	Non-executive Director	November 5, 2021	100% November 16, 2021	—	95,573
Leo Hermacinski	Non-executive Director	November 6, 2022	100% November 17, 2022	—	55,342
Total					**517,784**

Tranche	RSA Scheme		RSA Scheme for Core Connected Persons		ERR Program	
	Average exercise price (US$ per Share)	**Vesting schedule** (in thousands)	**Average exercise price** (US$ per Share)	**Vesting schedule** (in thousands)	**Average exercise price** (US$ per Share)	**Vesting schedule** (in thousands)
Financial Year Ended June 2020	0.875	518.2	—	—	—	—
Financial Year Ended June 2021	0.875	1,214.9	—	238.5	—	—
Financial Year Ended June 2022	0.878	726.5	—	224.0	0.886	753.6
Financial Year Ending June 2023	0.884	1,295.2	—	55.3	0.807	785.1
Financial Year Ending June 2024	0.884	1,295.2	—	—	—	—
Financial Year Ending June 2025	0.892	764.5	—	—	—	—
Financial Year Ending June 2026	0.894	575.0	—	—	—	—
Financial Year Ending June 2027	0.874	75.0	—	—	—	—
Total		**6,464.6**		**517.8**		**1,538.7**

As of December 31, 2022, the RSA Scheme for Core Connected Persons had two grantees and the ERR Program had 151 grantees.

APPENDIX 16 TO THE LISTING RULES

According to paragraph 40 of Appendix 16 to the Listing Rules headed "Disclosure of Financial Information", save as disclosed herein, the Company confirms that the Company's current information in relation to those matters set out in paragraph 32 of Appendix 16 to the Listing Rules has not been changed significantly from the information disclosed in the Company's Annual Report 2021/22.

By order of the Board
IntelliCentrics Global Holdings Ltd.
LIN Tzung-Liang
Chairman of the Board

Hong Kong, March 21, 2023

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards. During the 6 months ended December 31, 2022, the Company has applied the principles as set forth in the CG Code which are applicable to the Company. In the opinion of the Directors, the Company has complied with all applicable code provisions as set out in the CG Code during the 6 months ended December 31, 2022.

As of the date of this interim report, the Company has a single gender Board. Noting that a single gender board will not be considered as having achieved board diversity, the Company will take appropriate measures to review the structure and composition of the Board and appoint a Director of a different gender on or before December 31, 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company's securities for relevant employees (as defined in the Listing Rules).

The Company has made specific inquiries to all Directors about their compliance with the Model Code. All Directors confirmed that they complied with the standards specified in the Model Code during the 6 months ended December 31, 2022. The Company has made specific inquiries of relevant employees about their adherence to the guidelines on transactions of the Company's securities. The Company did not notice any violation of the guidelines.

BOARD OF DIRECTORS

As at the date of this interim report, the Board currently comprises seven members as follows:

Executive Directors

Mr. Lin Tzung-Liang *(Chairman)*
Mr. Michael James Sheehan *(Chief Executive Officer)*

Non-executive Directors

Mr. Lin Kuo-Chang
Mr. Leo Hermacinski

Independent Non-executive Directors

Mr. Hsieh Yu Tien
Mr. Liao Xiaoxin
Mr. Wong Man Chung Francis

Chairman and CEO

The role of the Chairman of the Board (the "Chairman") is separate from that of the CEO to ensure a balance of power and authority. The Chairman is responsible for overseeing the functioning of the Board while the CEO is responsible for managing the Group's business. As of December 31, 2022, the Chairman is Mr. Lin Tzung-Liang, an executive Director, and the CEO of the Company is Mr. Michael James Sheehan, an executive Director.

The Chairman shall ensure that Board meetings are planned and conducted effectively, and all Directors are properly briefed on issues arising at Board meetings. He is also responsible for ensuring that the Directors receive adequate information in a timely manner, which must be accurate, clear, complete, and reliable. The Chairman shall also ensure the Board works effectively and discharges its responsibilities; all key and appropriate issues are discussed by the Board in a timely manner; good corporate governance practices and procedures are established; and appropriate steps are taken to provide effective communication with Shareholders and that views of Shareholders are communicated to the Board as a whole.

Independent Non-executive Directors

As disclosed in the announcements of the Company dated November 30, 2022 and February 20, 2023, following the retirement of Ms. Huang Yi-Fen as an independent non-executive Director (and also a member of the Audit Committee and the Nomination Committee) on December 15, 2022, the Board did not meet the requirement under Rule 3.10(1) of the Listing Rules. With Mr. Liao being appointed as an independent non-executive Director (and also a member of the Audit Committee and the Nomination Committee) on February 20, 2023, the Company has three independent non-executive Directors and has since been in compliance with Rules 3.10(1) and 3.10A of the Listing Rules.

The Board considers that all independent non-executive Directors have appropriate and sufficient industry or finance experiences and qualifications to carry out their duties so as to protect the interests of the Shareholders. Among the three independent non-executive Directors, at least one of them has appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

Appointment and Re-election of Directors

Code provision B.2.2 of the CG Code states that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the Directors is appointed under a service contract for a term of three years which is terminable by either party by giving three months' written notice to the other party.

In accordance with the Articles of Association, all Directors are subject to retirement by rotation and re-election at AGM at least once every three years. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting and any Director appointed by the Board as an addition to the Board shall hold office until the next following AGM after his/her appointment and they will be subject to re-election at such meeting.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election, and succession planning of Directors.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board make decisions objectively in the interests of the Company.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge, and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his or her responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing, and coordinating the daily operation and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Our Directors keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company. At the first occasion, every newly appointed Director receives a formal and comprehensive induction to ensure his/her appropriate understanding of the business and operations of the Company and full awareness of a directors' responsibilities and obligations under the Listing Rules and other relevant statutory requirements.

Each of the Directors participates in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged to attend relevant training courses at the Company's expense.

From July 1, 2022 and up to the December 31, 2022, the Directors kept abreast of matters relevant to their role as directors by reading and viewing materials about corporate governance and the roles, functions and duties of a Director from time to time.

BOARD COMMITTEES

The Board has established five Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, and two RSA Scheme Administration Committees for overseeing the particular aspects of the Company's affairs. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website (www.intellicentrics-global.com) and the Stock Exchange's website (www.hkexnews.hk) and are available to the Shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors. The list of the chairman and members of each Board committee is set out under "Board of Directors" in this Corporate Governance Report.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with code provision D.3 of the CG Code. As disclosed above, Ms. Huang Yi-Fen retired as a member of the Audit Committee on December 15, 2022, as a result of which the Board did not meet the requirement under Rule 3.21 of the Listing Rules with respect to the composition of the Audit Committee. Following the appointment of Mr. Liao as a member of the Audit Committee, the Audit Committee, in compliance with Rule 3.21 of the Listing Rules, consists of three members, namely, Mr. Wong Man Chung Francis (independent non-executive Director), Mr. Leo Hermacinski (non-executive Director) and Mr. Liao (independent non-executive Director). Mr. Wong Man Chung Francis is a Certified Public Accountant who possesses the appropriate accounting or related financial management expertise, and is the chairman of the Audit Committee.

The primary duties of the Audit Committee include: (i) to review, supervise, and assist our Board in providing an independent view of our financial reporting processes and the internal control and risk management systems, (ii) to oversee the audit process, review our annual and interim financial statements, provide advice and comments to the Board on matters related to corporate governance; and (iii) to perform other duties and responsibilities as assigned by our Board from time to time.

During the 6 months ended December 31, 2022, the Audit Committee held four meetings. The members of the Audit Committee reviewed and discussed with the internal audit department of the Company the unaudited interim results of the Group for the 6 months ended December 31, 2022. They were of the opinion that the preparation of such interim results had been prepared in accordance with the applicable accounting principles and standards and adequate disclosures have been made.

Additional meetings may also be held by the Audit Committee from time to time to discuss special projects or other issues which it considers necessary. The external auditors of the Group may request a meeting of the Audit Committee or with the chairman of the Audit Committee for informational or other purposes.

Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The Remuneration Committee consists of three members, namely, Mr. Hsieh Yu Tien (independent non-executive Director), Mr. Lin Kuo-Chang (non-executive Director), and Mr. Wong Man Chung Francis (independent non-executive Director). Mr. Hsieh Yu Tien is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to (i) develop and review the policies and the structure of the remuneration for our Directors; (ii) evaluate the performance of, and make recommendations on the remuneration packages and long-term incentive compensation or equity plans for, our Directors; and (iii) evaluate and make recommendations on employee benefit arrangements.

During the 6 months ended December 31, 2022, the Remuneration Committee held two meetings to review and make recommendation to the Board on the remuneration policy and structure of the Company, and the remuneration packages of the Directors and other related matters.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with code provision B.3 of the CG Code. As disclosed above, Ms. Huang Yi-Fen retired as a member of the Nomination Committee on December 15, 2022, as a result of which the Board did not meet the requirement under Rule 3.27A of the Listing Rules with respect to the composition of the Nomination Committee. Following the appointment of Mr. Liao as a member of the Nomination Committee, the Nomination Committee, in compliance with Rule 3.27A of the Listing Rules, consists of three members, namely Mr. Lin Tzung-Liang (chairman of the Board and executive Director), Mr. Hsieh Yu Tien (independent non-executive Director), and Mr. Liao (independent non-executive Director), with Mr. Lin Tzung-Liang being the chairman of the Nomination Committee.

The primary functions of the Nomination Committee are to make recommendations to our Board in relation to the appointment and removal of Directors, and on matters of succession planning. In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the board diversity policy, including but not limited to professional qualifications, regional and industry experience, educational and cultural background, technical and professional skills, industry knowledge and reputation, gender, age, ethnicity, nationality, language skills, length of service and time to be devoted as a director, and where possible, maintain balance from such perspectives.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the 6 months ended December 31, 2022, the Nomination Committee held one meeting to consider and make recommendation to the Board the retirement and re-electing of Directors, and to review the structure, size and composition of the Board and the independence of the independent non-executive Directors.

Connected Persons RSA Administration Committee

The Connected Persons RSA Administration Committee is a sub-committee of the Board delegated with the power and authority to administer the Scheme. This Administration Committee consists of two members, namely, Mr. Lin Tzung-Liang (Chairman) and Mr. Hsieh Yu Tien (independent non-executive Director). One meeting was held by this Administration Committee during the 6 months ended December 31, 2022, and up to the date of this report.

Non-Connected Persons RSA Administration Committee

The Non-Connected Persons RSA Administration Committee is a sub-committee of the Board delegated with the power and authority to administer the Scheme. This Administration Committee consists of two members, namely, Mr. Michael James Sheehan (CEO and executive Director) and Mr. Wong Man Chung Francis (independent non-executive Director). Two meetings were held by this Administration Committee during the 6 months ended December 31, 2022, and up to the date of this report.

Director Nomination Policy

The Company has adopted a director nomination policy, pursuant to which the following criteria should be considered when evaluating and selecting any candidate for directorship:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board diversity policy of the Company that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board and/or the Company, as well as the Company's development strategies, future goals, and growth, taking into account the candidate's qualifications, skills, experience, independence, and gender and race diversity of the Board.
- The candidate's role and position as a member of a diverse Board.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for the nomination of the Directors and succession planning.

As regards selection and appointment of a new Director:

- The Nomination Committee and/or the Board should, upon receipt of a proposal on the appointment of a new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

- If the process yields more than one desirable candidate, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and the reference check of each candidate (where applicable).

- The Nomination Committee should then recommend that the Board appoint the most appropriate candidate for directorship.

- For any person that is nominated by a Shareholder for election as a Director at a general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendations to Shareholders with respect to the proposed election of Directors at a general meeting.

As regards the re-election of a Director at a general meeting:

- The Nomination Committee and/or the Board should review the overall contribution and service to the Company of each Director and his level of participation and performance on the Board.

- The Nomination Committee and/or the Board should also review and determine whether the Director continues to meet the criteria as set out above.

- The Nomination Committee and/or the Board should then make recommendations to the Shareholders in respect of the proposed re-election or replacement of the Directors at a general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at a general meeting, the relevant information of the candidate will be disclosed in the circular to the Shareholders and/or the explanatory statement that accompanies the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

Board Diversity Policy

The Company believes that board diversity will have a substantial benefit in improving its performance. Therefore, the Company has adopted a board diversity policy to ensure that the diversity of Board members be considered from a number of perspectives. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. A summary of the board diversity policy is set out below:

The Board is of the view that having diversity in the Board will help the Company better understand and meet customer needs and maintain the Company's competitive advantages in the industry.

The Company is committing to achieving diversity and recognises and embraces the benefits of having a diverse Board to bring in innovation, fresh and broad business perspectives and enhance the decision-making process of the Board.

In considering the optimal composition of the Board, the Board shall exercise its discretion to review diversity from a wide array of perspectives, including but not limited to professional qualifications, regional and industry experience, educational and cultural background, technical and professional skills, industry knowledge and reputation, gender, age, ethnicity, nationality, language skills, length of service and time to be devoted as a director, and where possible, maintain balance from such perspectives. Appointments to the Board should be made based on merits and contributions that the individual is expected to bring to the Board, with due regard to the benefits of diversity in the Board. As disclosed above, noting the single gender Board will not be considered as having achieved boarded diversity, the Company will take appropriate measures to review the structure and composition of the Board and appoint a director of a different gender on or before December 31, 2024.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ANNUAL GENERAL MEETING

The Company encourages its shareholders to attend the Company's AGM to communicate their views and concerns to the Board directly so as to ensure a high level of accountability and also to stay informed of the Company's strategies, developments and goals.

The 2022 AGM was held on December 15, 2022. Information and approved resolutions can be found on the Company's website (www.intellicentrics-global.com).

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss

US$ in thousands	Notes	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Revenue	7	**22,181**	20,572
Cost of revenue		**(2,392)**	(2,633)
Gross profit		**19,789**	17,939
Selling and marketing expenses		**(2,613)**	(1,852)
General and administrative expenses		**(12,501)**	(10,648)
Research and development expenses		**(8,043)**	(7,325)
Other income/(loss)		**86**	(10)
Operating loss		**(3,282)**	(1,896)
Finance costs	8	**(967)**	(787)
Finance income	9	**183**	56
Other non-operating income/(expense)	10	**19**	(6,325)
Share of loss of a joint venture, net of tax	17	**—**	(97)
Loss before income tax		**(4,047)**	(9,049)
Income tax expense	11	**(167)**	(105)
Loss for the period		**(4,214)**	(9,154)
Other comprehensive income/(loss):			
Item that will not be subsequently reclassified to profit or loss:			
— Equity instruments at FVOCI — net change in fair value		**(303)**	561
Items that may be subsequently reclassified to profit or loss:			
— Currency translation differences		**(1,088)**	(388)
Other comprehensive income/(loss) for the period, net of tax		**(1,391)**	173
Total comprehensive loss for the period		**(5,605)**	(8,981)

US$ in thousands	Notes	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Loss for the period			
Attributable to owners of the Company		**(4,212)**	(9,120)
Attributable to non-controlling interests		**(2)**	(34)
		(4,214)	(9,154)
Total comprehensive loss for the period			
Attributable to owners of the Company		**(5,603)**	(8,947)
Attributable to non-controlling interests		**(2)**	(34)
		(5,605)	(8,981)
Loss per Share attributable to owners of the Company for the period (expressed in US$ per Share)			
— Basic and diluted	12	**(0.009)**	(0.020)

The accompanying notes are an integral part of these interim financial statements.

Interim Condensed Consolidated Statement of Financial Position

US$ in thousands	Notes	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment, net	14	**6,093**	6,376
Goodwill and other intangible assets, net	15	**22,171**	22,969
Right-of-use assets, net	16	**4,765**	5,223
Deposits and prepayments		**207**	180
Deferred income tax assets	11	**246**	—
Restricted cash	18	**262**	94
		33,744	34,842
Current assets			
Financial assets at fair value through other comprehensive income	19	**509**	812
Deposits, prepayments and other receivables		**1,575**	2,515
Restricted cash	18	**9,600**	12,750
Cash		**17,466**	23,506
		29,150	39,583
Total assets		**62,894**	74,425
EQUITY			
Equity attributable to owners of the Company			
Share capital		**46**	46
Share premium		**72,776**	72,776
RSA scheme reserve		**(30,590)**	(30,380)
Other reserves		**(67,398)**	(66,114)
Retained earnings		**25,995**	30,209
		829	6,537
Non-controlling interests		**(118)**	(116)
Total equity		**711**	6,421

US$ in thousands	Notes	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	22	**12,023**	—
Deferred income tax liabilities	11	**2,541**	2,318
Lease liabilities	16	**6,564**	6,995
		21,128	9,313
Current liabilities			
Borrowings	22	**12,723**	28,511
Lease liabilities	16	**805**	810
Trade payables	23	**2,553**	2,685
Other payables and provisions	24	**3,872**	3,335
Amounts due to related parties	26	**354**	743
Contract liabilities	7	**20,710**	22,607
Current income tax liabilities		**38**	—
		41,055	58,691
Total liabilities		**62,183**	68,004
Total equity and liabilities		**62,894**	74,425

The accompanying notes are an integral part of these interim financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

US$ in thousands	Notes	Share capital	Share premium	RSA scheme reserve	Capital reserve	Share awards reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
As at July 1, 2021		46	77,100	(19,924)	(61,630)	1,905	(4,439)	245	41,801	35,104	(62)	35,042
Loss for the period		–	–	–	–	–	–	–	(9,120)	(9,120)	(34)	(9,154)
Other comprehensive income/ (loss)												
– Equity instruments at FVOCI												
– net change in fair value		–	–	–	–	–	561	–	–	561	–	561
– Currency translation differences		–	–	–	–	–	(1)	(385)	(3)	(389)	1	(388)
Total comprehensive income/(loss) for the period		–	–	–	–	–	560	(385)	(9,123)	(8,948)	(33)	(8,981)
Transactions with owners:												
Acquisition of RSA shares	20	–	–	(11,249)	–	–	–	–	–	(11,249)	–	(11,249)
Shares Buyback	20	(1)	(2,428)	–	–	–	–	–	–	(2,429)	–	(2,429)
Share-based payment	21	–	–	–	–	536	–	–	–	536	–	536
Share options exercised	21	–	(154)	1,061	–	(744)	–	–	–	163	–	163
Total transactions with owners		(1)	(2,582)	(10,188)	–	(208)	–	–	–	(12,979)	–	(12,979)
As at December 31, 2021 (Unaudited)		45	74,518	(30,112)	(61,630)	1,697	(3,879)	(140)	32,678	13,177	(95)	13,082
As at July 1, 2022		**46**	**72,776**	**(30,380)**	**(61,630)**	**1,578**	**(4,228)**	**(1,834)**	**30,209**	**6,537**	**(116)**	**6,421**
Loss for the period		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,214)**	**(4,214)**	**(2)**	**(4,216)**
Other comprehensive income/ (loss)												
– Equity instruments at FVOCI												
– net change in fair value		**–**	**–**	**–**	**–**	**–**	**(307)**	**–**	**–**	**(307)**	**–**	**(307)**
– Currency translation differences		**–**	**–**	**–**	**–**	**–**	**–**	**(1,088)**	**–**	**(1,088)**	**–**	**(1,088)**
Total comprehensive income/(loss) for the period		**46**	**72,776**	**(30,380)**	**(61,630)**	**1,578**	**(4,535)**	**(2,922)**	**25,995**	**928**	**(118)**	**810**
Transactions with owners:												
Acquisition of RSA shares	20	**–**	**–**	**(779)**	**–**	**–**	**–**	**–**	**–**	**(779)**	**–**	**(779)**
Shares Buyback	20	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Share-based payment	21	**–**	**–**	**–**	**–**	**613**	**–**	**–**	**–**	**613**	**–**	**613**
Share options exercised	21	**–**	**–**	**570**	**–**	**(503)**	**–**	**–**	**–**	**67**	**–**	**67**
Total transactions with owners		**–**	**–**	**(209)**	**–**	**110**	**–**	**–**	**–**	**(99)**	**–**	**(99)**
As at December 31, 2022 (Unaudited)		**46**	**72,776**	**(30,590)**	**(61,630)**	**1,688**	**(4,535)**	**(2,922)**	**25,995**	**829**	**(118)**	**711**

The accompanying notes are an integral part of these interim financial statements.

Interim Condensed Consolidated Statement of Cash Flows

US$ in thousands	Notes	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Cash flows from operating activities			
Cash generated from operations	29	**620**	(3,725)
Interest received	9	**183**	1,153
Interest paid	8	**(961)**	(674)
Income tax received	11	**464**	193
Income tax paid	11	**—**	(94)
Net cash flows generated from/(used in) operating activities		**306**	(3,147)
Cash flows from investing activities			
Proceeds from release of restricted cash	18	**3,150**	750
Redemption of financial assets at fair value through other comprehensive income	19, 27	**—**	11,300
Payment for restricted cash	18	**(195)**	—
Purchase of property, plant and equipment	14	**(970)**	(417)
Payments related to intangible assets	15	**(2,452)**	(2,500)
Net cash flows used in investing activities		**(467)**	9,133
Cash flows from financing activities			
Repayments of borrowings	22	**(3,750)**	(18,000)
Proceeds from borrowings	22	**—**	16,500
Payment of borrowing transaction costs		**—**	(79)
Payment to Shares Buyback Trust account		**—**	(556)
Acquisition of RSA shares	20	**(779)**	(11,249)
Proceeds from share option exercises		**67**	163
Payments for Shares Buyback	20	**—**	(2,428)
Principal payments on lease liabilities		**(395)**	(118)
Net cash flows used in financing activities		**(4,857)**	(15,767)
Net increase/(decrease) in cash and cash equivalents		**(5,018)**	(9,781)
Cash and cash equivalents at the beginning of the period		**23,506**	31,317
Effects on exchange rate changes on cash and cash equivalents		**(1,022)**	(77)
Cash and cash equivalents at the end of the period		**17,466**	21,459

The accompanying notes are an integral part of these interim financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

IntelliCentrics Global Holdings Ltd. (the "Company") was established in the Cayman Islands on June 3, 2016 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The registered office is situated at Suite 102, Cannon Place, North Sound Rd., George Town, P.O. Box 712, Grand Cayman, KY1-9006, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the "Group") are principally engaged in the provision of credentialing services in the United States, Canada, and the United Kingdom (the "UK").

The Group is a minority holder of a joint venture in China that is licensed to use the Company's technology.

The ultimate holding company of the Company is Ocin Corp., a company incorporated in the Cayman Islands. Mr. Lin and his family including his spouse and parents (together as a "Controlling Shareholder") are the ultimate Controlling Shareholder of the Company.

These unaudited interim condensed consolidated financial statements as at and for the 6 months ended December 31, 2022 have been approved and signed by the Board of Directors on February 28, 2023.

2. BASIS OF PREPARATION

These interim financial statements of the Group have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including compliance with International Accounting Standard ("IAS") 34 Interim Financial Reporting issued by the International Accounting Standards Board (the "IASB").

The interim financial report of the Group for the 6 months ended December 31, 2022 has been prepared in accordance with the same accounting policies adopted in the annual financial statements as at and for the 12-month period ended June 30, 2022, except for the accounting policy changes that are expected to be reflected in the annual financial statements as at and for the financial year ending June 30, 2023.

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

2. BASIS OF PREPARATION (Continued)

These interim financial statements should be read in conjunction with the Company's Annual Report 2021/22 issued on October 27, 2022. These interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance since the Company's Annual Report 2021/22. The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

The interim results have not been reviewed by external auditors. The Audit Committee, with the assistance of the Group's internal audit department, has reviewed the unaudited interim results of the Group for the 6 months ended December 31, 2022. It is the opinion of the Audit Committee that the preparation of such interim results had been prepared in accordance with the applicable accounting principles and standards and adequate disclosures have been made.

Unless otherwise stated, the interim condensed consolidated financial statements and related footnotes are presented in the United States Dollar ("USD"), which is the functional and presentation currency of the Company.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Company's Annual Report 2021/22.

4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

4.1 New standards, interpretations, and amendments adopted from July 1, 2022

The summary of changes in significant accounting policies are listed in detail in the Company's Annual Report 2021/22.

4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 New standards, interpretations, and amendments adopted from July 1, 2022 (Continued)

New standards impacting the Group that have been adopted in the consolidated financial statements for the financial year ended June 30, 2022 are:

- Interest Rate Benchmark Reform — Phase 2 — Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Onerous Contracts — Cost of Fulfilling a Contract — Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020 — Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41
- Property, Plant and Equipment: Proceeds before Intended Use — Amendments to IAS 16
- Reference to the Conceptual Framework — Amendments to IFRS 3

The adoption of the new standards listed above have not had a significant impact on the Group's consolidated financial statements for the six months ended December 31, 2022.

4.2 New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

New standards or amendments	Effective for annual periods beginning on or after
Amendments to IAS 1 Disclosure of Accounting policies	January 1, 2023
Amendments to IAS 8 Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a single Transaction	January 1, 2023
Classification of Liabilities as Current or Non-current — Amendments to IAS 1	January 1, 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	January 1, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture — Amendments to IFRS 10 and IAS 28	Deferred indefinitely

The Group does not expect that the adoption of the standards listed above will have a material impact on the condensed consolidated financial statements of the Group in future periods.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies are listed in detail in the Company's Annual Report 2021/22. During this interim reporting period, there were no significant changes in the Company's accounting policies.

6. SEGMENT INFORMATION

The chief operating decision-maker considers the Group's operations are operated and managed as a single segment; accordingly, no segment information is presented. This conclusion is based on the following analysis:

- The Group allocates resources and assesses performance of the overall operations of its businesses and not by geographical locations or product lines.
- The Group mainly operates its businesses in the USA and the majority of the revenues are substantially earned from external customers attributed to the USA.
- A substantial majority of the non-current assets excluding restricted cash of the Group are located in the USA.
- No other geographical region is currently deemed to be material to be viewed separately.

7. REVENUE

Substantially all fees are paid by subscribers at the inception of service. The following table sets forth a breakdown of our revenue by solutions and add-on services for the periods indicated:

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Vendor and Medical Credentialing	**21,757**	20,170
Add-On Services	**424**	402
	22,181	20,572

Disaggregation of Revenue from Contracts with Customers

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Timing of revenue recognition		
— Over time	**22,026**	20,377
— At a point in time	**155**	195
	22,181	20,572

The Group's revenues are substantially generated in the U.S., with revenues attributed to the U.S. for the 6 months ended December 31, 2022 totaling US$21.5 million (US$20.1 million for the 6 months ended December 31, 2021).

Contract Liabilities

The Group has recognised the following revenue-related contract liabilities:

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Contract liabilities	**20,710**	22,607

7. REVENUE (Continued)

Contract Liabilities (Continued)

Contract liabilities mainly consists of membership fees prepaid by subscribers for which the related services had not been rendered in full as at the end of each financial period. The portion to be recognised over the next 12 months will be classified as current liabilities in the condensed consolidated statement of financial position.

The amount of revenue recognised for the 6 months ended December 31, 2022 that was included in the contract liabilities balance at the beginning of the period was US$16.1 million compared to US$13.6 million for the 6 months ended December 31, 2021. All contract liabilities are amortised within one year.

Trade Accounts Receivable

As at December 31, 2022, and June 30, 2022, the Company did not have any trade accounts receivable.

Seasonality

The Company has no material impact due to seasonality.

8. FINANCE COSTS

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Interest expense on bank borrowings	**679**	416
Acquisition and handling charge on investing accounts	**2**	5
Bank charges on bank borrowings	**—**	79
Interest expense on lease liabilities	**286**	287
	967	787

9. FINANCE INCOME

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Interest income from promissory notes	**—**	22
Interest income from bank deposits	**183**	34
	183	56

10. OTHER NON-OPERATING INCOME/(EXPENSE)

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
Other	**19**	(6,325)
	19	(6,325)

As announced to the market on July 12, 2021, the Group fell victim to a social engineering crime. As a result, on July 5, 2021, an unauthorized disbursement was made totaling US$6.0 million to bank accounts unassociated with the Group. The Group has not recorded any benefit related to a possible recovery of the funds.

11. INCOME TAXES

Income tax expense

Statutory income tax expense is recognised at the statutory income tax rate of the reporting entity, adjusted for differences in statutory rates between reporting entity and local country, and the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

11. INCOME TAXES (Continued)

Income tax expense (Continued)

The Group's consolidated effective tax rate in respect of continuing operations was (86.0)% tax expense for the 6 months ended December 31, 2022, compared to 1.2% tax benefit for the 6 months ended December 31, 2021. The change is due to a consolidated loss for tax purposes and an increase in tax liability as of December 31, 2022 compared to the prior period.

12. LOSS PER SHARE

Basic loss per Share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Shares in issue during the period.

	6 months ended December 31, 2022 (Unaudited)	6 months ended December 31, 2021 (Unaudited)
The Group's loss attributable to owners of the Company (*US$ in thousands*)	**(4,212)**	(9,120)
Weighted average number of Shares in issue (*in thousands*)	**452,545**	456,569
Basic loss per Share (*US$ per Share*)	**(0.009)**	(0.020)

Diluted loss per Share is calculated by adjusting the weighted average number of Shares in issue during the period (excluding the Shares purchased by the Company under the RSA Schemes) to assume conversion of all dilutive potential shares. The Group did not have potentially dilutive Shares during the 6 months ended December 31, 2022 or the 6 months ended December 31, 2021, and accordingly the diluted losses per Share equals the basic loss per Share.

13. DIVIDENDS

No dividends have been paid or declared by the Company for the 6 months ended December 31, 2022, nor for the 6 months ended December 31, 2021.

14. PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment at December 31, 2022 is US$6.1 million compared to US$6.4 million at June 30, 2022.

As at December 31, 2022, the Group acquired property, plant and equipment with a cost of US$0.1 million (December 31, 2021: US$0.6 million), consisting primarily of subscriber equipment for the same six month period. There were no material disposals for either reported period.

Depreciation expense of US$1.3 million was charged to the income statement for the 6 months ended December 31, 2022 compared to US$2.0 million for the 6 months ended December 31, 2021. There were no material currency translation adjustments for either reported period.

Capital commitments

During the 6 months ended December 31, 2022, the Group entered into contracts to buy property, plant and equipment for US$0.6 million, (For same period ended December 31, 2021: US$1.5 million). Delivery is expected throughout the next financial year.

15. GOODWILL AND OTHER INTANGIBLES ASSETS

The net book value of goodwill and other intangible assets at December 31, 2022 is US$22.2 million compared to US$23.0 million as at June 30, 2022, a decrease of US$0.8 million for the 6 months ended December 31, 2022.

During the 6 months ended December 31, 2022, additions of US$2.5 million were recorded for the development of the Group's technology platform compared to US$2.5 million for the 6 months ended June 30, 2022.

Amortisation expense of US$3.1 million was charged to the income statement for the 6 months ended December 31, 2022 compared to US$3.3 million for the 6 months ended December 31, 2021. There were no material currency translation adjustments for either reported period.

No impairment provision was required as at December 31, 2022. The Company tests annually whether goodwill has suffered any impairment as of April 1. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For further information on the accounting estimates and judgments, accounting policies and key assumptions with respect to impairment testing, please refer to notes 3(a), 5.5, 5.6 and 18 to the consolidated financial statements contained in the Company's 2021/22 annual report.

16. RIGHT-OF-USE ASSETS INCLUDING LEASE LIABILITIES

The Group leases various offices, motor vehicles and office equipment. Rental contracts are typically made for fixed periods of 1 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

For the 6 months ended December 31, 2022, the Group recognised depreciation expense relating to leases of US$0.4 million compared to US$0.3 million for the 6 months ended December 31, 2021, and interest expense relating to leases of US$0.3million compared to US$0.3 million for the 6 months ended December 31, 2021.

17. INTERESTS IN A JOINT VENTURE

In February 2019, the Group contributed US$0.3 million to a joint venture of the Group, Sciencare. Subsequently, in January 2021, the Group contributed an additional US$0.4 million. Sciencare was incorporated in the People's Republic of China (the "PRC") with limited liability. Sciencare is a health technology business supporting the development of a healthcare credit system in PRC and is committed to providing patients with genuine and reliable healthcare services. As at December 31, 2022, the joint venture was 54.54% owned by Mr. Li Zheng, 2.73% owned by VTC Electronics (Shanghai), 2.73% owned by Tritech Development Limited, and 40.0% owned by IntelliCentrics Zengine (Hong Kong) Company Limited, a subsidiary of the Group. See details of the additional capital commitment contracted, but not provided for, below.

As at December 31, 2022, the Company's carrying amount in the joint venture has been reduced to zero. There are no significant restrictions on the ability of the joint venture to transfer funds to the Group.

No dividends were received from the joint venture during the 6 months ended December 31, 2022.

Contracted but not provided for

On May 16, 2018, the Group contracted to inject an initial capital contribution to a joint-venture, Sciencare in PRC of US$1.0 million with reference to the underlying shareholders agreement. US$0.3 million remained contracted but not provided for as at December 31, 2022.

18. RESTRICTED CASH

As at December 31, 2022 and June 30, 2022, bank deposits of US$9.6 million and US$12.8 million, respectively, were restricted certificates of deposit held as security for certain banking borrowings of the Group as disclosed in Note 22. Other non-current restricted cash of US$0.3 million and US$0.1 million as at December 31, 2022 and June 30, 2022, respectively, was cash held by the RSA Scheme.

The carrying amounts of restricted cash are denominated in US dollars.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The financial assets at FVOCI is comprised of the following:

US$ in thousands	**Fair value at December 31, 2022 (Unaudited)**	Fair value at June 30, 2022 (Audited)
Investment in equity instruments	**509**	812
Investment in debt instruments	**—**	—
	509	812

The Group's investment in equity instruments consists of listed equity securities of AerKomm Inc. The Group currently owns 118,000 shares of AerKomm Inc. representing approximately 1.2% of the issued and outstanding shares as at December 31, 2022. The cost of the equity instruments was US$5.0 million. The fair value of the instruments as at December 31, 2022 and June 30, 2022 was US$0.5 million and US$0.8 million, respectively. The investments are designated as equity securities at FVOCI. No dividend was received from this investment. No strategic investments were disposed of during the current reporting period, and there were no transfers of any cumulative gain or loss within equity relating to this investment.

The Group's investment in debt instruments consisted of promissory notes. During the 6 months ended December 31, 2021, the Group had redeemed all remaining promissory notes, and received all principal and expected interest of US$12.5 million. As such, at December 31, 2022 and June 30, 2022, the fair value of these promissory notes was nil.

Please refer to Notes 27 and 28 for further information on fair value measurement, significant judgements, risks, and uncertainties.

20. SHARE PURCHASE AND SHARE BUY-BACK

During the 6 months ended December 31, 2021, the Company repurchased 2,753,500 Shares on the Stock Exchange pursuant to the Share buy-back program at an average per Share price of US$0.88 totaling US$2.4 million. Such repurchased shares were subsequently cancelled. Save as otherwise disclosed in this report, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the reporting period.

21. SHARE-BASED PAYMENT

(a) Description of share-based payment arrangements

At December 31, 2022, the Group had the following share-based payment arrangements.

- **Pre-IPO Share Option Scheme**

  On February 18, 2019, the Company executed a share option plan and granted 11,535,000 options to acquire shares of the Company's stock with the exercise price of US$0.875 per share according to the Company's Board of Directors resolution. The share option period was 6 years from the date of grant and the share options lapse at the end of the share option period. 20% of the options vest on the first to fifth anniversary dates of the date of grant each year. Share options vested are exercisable upon the Company's listing on Main Board of the Stock Exchange on 27 March 2019.

  On April 15, 2021, the Board approved for participants in this plan to voluntarily transition their share option grants in the Pre-IPO Share Option Scheme into the Company's RSA Scheme. These replacement awards bear the same exercise price and vesting conditions as the original Pre-IPO Share Option Scheme grants and provide the grantees with the benefits of an internet portal to self-manage share option transactions. As at December 31, 2022, the majority of the grantees transitioned into the RSA Scheme leaving one remaining grantee with 5,000,000 instruments in the Pre-IPO Share Option Scheme.

  As at December 31, 2022, 5,000,000 restricted shares have been granted under the Pre-IPO Share Option Scheme as detailed below.

Grant date/employees entitled	Number of instruments	Vesting conditions	Contractual life of options
Director of our Company			
On February 18, 2019	5,000,000	5 years	6 years
Total number of instruments as at December 31, 2022	5,000,000		

21. SHARE-BASED PAYMENT (Continued)

(a) Description of share-based payment arrangements (Continued)

- **RSA Scheme**

On April 26, 2019, the Company's Board adopted the RSA Scheme. On May 16, 2019, a trust deed was executed to constitute the trust in relation to the RSA Scheme for the purpose of the Company's grant of award shares to selected non-connected participants from time to time pursuant to the scheme rules. The objectives of the RSA Scheme are to recognise the contributions by the selected non-connected participants, to give them incentives to achieve performance goals, and to attract suitable personnel for further development of the Group. The RSA Scheme shall be subject to the administration of the Company's RSA Scheme for Non-Connected Persons Administration Committee and the trustee in accordance with the RSA Scheme Rules and the trust deed. The trustee shall hold the trust fund in accordance with the terms of the trust deed.

The board has resolved to amend the rules governing the RSA Scheme and the RSA Scheme for Core Connected Persons to reallocate the maximum Share purchase limits of the RSA Schemes with effect from June 7, 2022. No shares shall be purchased pursuant to the RSA Scheme if as a result of such purchase, the number of Shares administered under the RSA Scheme shall exceed 34,283,411 Shares, being 7.5% of the issued share capital of the Company at the date of the Board's approval of the RSA Scheme, or such other limit as determined by the RSA Scheme for Non-Connected Persons Administration Committee at its sole discretion subject always to compliance with the Listing Rules. The maximum number of award shares which may be granted to a selected participant at any one time or in aggregate may not exceed 4,571,121 shares, being 1% of the issued share capital of the Company at the same date.

As at December 31, 2022, 8,003,221 restricted shares have been granted under the RSA Scheme as detailed below.

Grant date/employees entitled	Number of instruments	Vesting conditions	Contractual life of options
Senior Management of our Company			
On February 18, 2019	575,000	5 years	6 years
On December 1, 2021	80,271	2 years	10 years
On March 3, 2021	350,000	3 years	8 years
On April 25, 2022	1,000,000	4 years	10 years
On June 1, 2022	52,579	1.2 years	10 years
On August 11, 2022	1,000,000	4 years	10 years
On December 1, 2022	68,571	4 years	10 years

21. SHARE-BASED PAYMENT (Continued)

(a) Description of share-based payment arrangements (Continued)

- **RSA Scheme**

Grant date/employees entitled	Number of instruments	Vesting conditions	Contractual life of options
Non-management			
On February 18, 2019	2,016,000	5 years	6 years
On December 9, 2019	346,680	4 years	10 years
On March 3, 2021	195,625	4 years	8 years
On April 1, 2021	68,750	4 years	10 years
On October 10, 2021	75,000	4 years	10 years
On December 1, 2021	517,385	2 years	10 years
On January 1, 2021	437,500	4 years	10 years
On March 1, 2022	164,916	1.5 years	10 years
On March 21, 2022	75,000	5 years	10 years
On May 1, 2022	25,000	2 years	10 years
On June 1, 2022	168,258	1.2 years	10 years
On July 25, 2022	75,000	5 years	10 years
On August 11, 2022	150,000	5 years	10 years
On September 1, 2022	318,045	1.0 years	10 years
On November 23, 2022	75,000	5 years	10 years
On December 1, 2022	168,641	0.8 years	10 years
Total number of instruments as at December 31, 2022	8,003,221		

21. SHARE-BASED PAYMENT (Continued)

(a) Description of share-based payment arrangements (Continued)

- **RSA Scheme for Core Connected Persons**

On October 20, 2020, the Company's Board adopted the RSA Scheme for Core Connected Persons. On May 28, 2021, a trust deed was executed to constitute the trust in relation to the RSA Scheme for Core Connected Persons for the purpose of the Company's grant of award shares to selected core connected participants from time to time pursuant to the scheme rules. The objectives of the RSA Scheme for Core Connected Persons are to recognise the contributions by the selected core connected participants, to give them incentives to achieve performance goals, and to attract suitable personnel for further development of the Group. The RSA Scheme for Core Connected Persons shall be subject to the administration of the Company's RSA Scheme for Core Connected Persons Administration Committee and the trustee in accordance with the RSA Scheme for Core Connected Persons Rules and the trust deed. The trustee shall hold the trust fund in accordance with the terms of the trust deed.

With effect from June 7, 2022, no shares shall be purchased pursuant to the RSA Scheme for Core Connected Persons if as a result of such purchase, the number of Shares administered under the RSA Scheme for Core Connected Persons shall exceed 11,427,803 Shares, being 2.5% of the issued share capital of the Company at the date of the Board's approval of the RSA Scheme for Core Connected Persons, or such other limit as determined by the RSA Scheme for Core Connected Persons Administration Committee at its sole discretion subject always to compliance with the Listing Rules. The maximum number of award shares which may be granted to a selected participant at any one time or in aggregate may not exceed 4,571,121 shares, being 1% of the issued share capital of the Company at the same date.

As at December 31, 2022, 517,784 restricted shares have been granted and vested under the RSA Scheme for Core Connected Persons as detailed below.

Grant date/employees entitled	Number of instruments	Vesting conditions	Contractual life of options
Director of our Company			
On January 18, 2021	238,465	6/30/2021	8 years
On January 18, 2021	128,404	10/1/2021	8 years
On November 5, 2021	95,573	11/16/2021	8 years
On November 6, 2022	55,342	11/17/2022	8 years
Total number of instruments as at December 31, 2022	517,784		

21. SHARE-BASED PAYMENT (Continued)

(a) Description of share-based payment arrangements (Continued)

- **Employee Retention and Recognition (ERR) Program**

  On December 1, 2021, the Company's Board adopted the ERR Program ("ERR"), pursuant to which restricted shares awards would be granted to all employees worldwide in accordance with the rules governing the RSA Schemes. The value of each grant of restricted shares awards made under the ERR Program is up to 20% of the annual salary of the grantee, prorated based on hire date with vesting every three months through November 2023.

  As at December 31, 2022, 1,538,666 shares have been granted under the ERR Program as detailed below:

Grant date/employees entitled	Number of instruments	Vesting conditions	Contractual life of options
Director of our Company			
On December 1, 2021	597,656	Quarterly — over 8 vesting periods beginning 2/28/2022 ending 11/30/2023	2 years
On March 1, 2022	164,916	Quarterly — over 7 vesting periods beginning 5/31/2022 ending 11/30/2023	1.5 years
On June 1, 2022	220,837	Quarterly — over 6 vesting periods beginning 8/31/2022 ending 11/30/2023	1.2 years
On September 1, 2022	386,616	Quarterly — over 5 vesting periods beginning 11/30/2022 ending 11/30/2023	1.0 years
On December 1, 2022	168,641	Quarterly — over 4 vesting periods beginning 2/28/2023	0.8 years
Total number of instruments as at December 31, 2022	1,538,666		

21. SHARE-BASED PAYMENT (Continued)

(a) Description of share-based payment arrangements (Continued)

- **Employee Retention and Recognition (ERR) Program (Continued)**
  As at December 31, 2022, Senior Management members of the Company have been granted 201,421 shares under the for Employee Retention and Recognition (ERR) Program. The details are set out below:

Grant date/employees entitled	Number of instruments	Vesting conditions	Contractual life of options
Senior Management of our Company			
Hans Moller	68,571	11/30/2023	1 years
Michael McDonald	25,923	11/30/2023	2 years
Simone Pringle	54,348	11/30/2023	2 years
Celina Burns	52,579	11/30/2023	1.2 years
Subtotal:	201,421		
Other Employees in Aggregate of our Company	1,337,245	11/30/2023	1.7 years
Total	1,538,666		

21. SHARE-BASED PAYMENT (Continued)

(b) Measurement of fair values

The inputs used in the measurement of the fair values at grant date and measurement date of the Pre-IPO Share Option Scheme, RSA Scheme, RSA Scheme for Core Connected Persons, and ERR Program.

	As at December 31, 2022	As at June 30, 2022	
	RSA Scheme	Pre-IPO Share Option Scheme	RSA Scheme
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Weighted average fair values at the grant date (US$)	**0.540**	0.098	0.540
Weighted average share price at grant date (US$)	**0.880**	0.680	0.836
Weighted average exercise price (US$)	**0.881**	0.875	0.881
Expected volatility (%)	**74.55%**	30.40%	74.55%
Expected life of share options and share awards (years)	**4.00**	4.50	4.00
Expected dividend yield (%)	**N/A**	2.33%	—%
Risk–free interest rate (%)	**0.97%**	2.53%	0.97%

The volatility is measured by tracing the histories of stock price volatility of comparable companies during comparable period.

During the 6 months ended December 31, 2022, there were 55,342 Shares issued under the RSA Scheme for Core Connected Persons. The ERR Shares were issued on December 1, 2022, at US$0.92 per share.

21. SHARE-BASED PAYMENT (Continued)

(c) Reconciliation of outstanding share options and share awards

The following table shows the number, weighted average exercise prices of, and movements in, share options and share awards under the RSA Scheme and the RSA Scheme for Core Connected Persons during the 6 months ended December 31, 2022 and 6 months ended December 31, 2021.

	RSA Scheme		RSA Scheme for Core Connected Persons		ERR	
	Number of share awards	Weighted average exercise price (US$ per share)	Number of share awards	Weighted average exercise price (US$ per share)	Number of share awards	Weighted average exercise price (US$ per share)
As at July 1, 2021	6,761	0.842	128	–	–	–
Granted during the reporting period	1,150	1.023	–	–	1,995	0.920
Forfeited during the reporting period	(202)	0.822	–	–	–	–
Exercised during the reporting period	(513)	0.429	(128)	–	–	–
Cancelled during the reporting period	–	–	–	–	–	–
Options and awards outstanding at December 31, 2021	**7,196**	**0.904**	**–**	**–**	**1,995**	**0.920**
Options and awards exercisable at December 31, 2021	1,616	0.879	–	–	–	–
As at July 1, 2022	5,221	0.876	462	–	1,678	0.876
Granted during the reporting period	1,375	0.873	55	–	704	0.686
Forfeited during the reporting period	(131)	0.809	–	–	(250)	0.871
Exercised during the reporting period	–	–	–	–	(594)	0.661
Options and awards outstanding at December 31, 2022	**6,465**	**0.875**	**518**	**–**	**1,539**	**0.827**
Options and awards exercisable at December 31, 2022	4,039	0.863	518	–	1,083	0.878

Note:

(1) The weighted average share price at the date of exercise for share awards exercised during the period was US$1.06.

21. SHARE-BASED PAYMENT (Continued)

(c) Reconciliation of outstanding share options and share awards (Continued)

The following table shows the weighted average remaining contractual life of the Pre-IPO Share Option Scheme, the RSA Scheme, the RSA Scheme for Core Connected Persons, and the ERR Program outstanding at December 31, 2022.

Scheme Name	Weighted Average Remaining Contractual Life Outstanding As at December 31, 2022	As at June 30, 2022
Pre-IPO Share Option Scheme	**2.16 years**	2.67 years
RSA Scheme	**6.32 years**	6.82 years
RSA Scheme for Core Connected Persons	**6.8 years**	7.31 years
ERR Program	**0.91 years**	1.42 years

(d) Bonus conversion to share-based payment

The Board voted to formally approve a bonus for the employees and to convert the US$1.1 million cash bonus accrual recognised as at December 31, 2020 to a share-based bonus. The shares to be assigned for this share-based bonus were approved to be allocated out of the RSA Scheme for Core Connected Persons and the RSA Scheme. The terms of the share-based bonus for the 6 months ended December 31, 2020 included a retention period where 65% of the shares vested for those employed on June 30, 2021 and 35% on October 1, 2021. As at December 31, 2021, the Company has recognised share-based payment expense of US$0.1 million for services performed by employees who are eligible for the share-based bonus. During the six months ended December 31, 2022 there were no shares based bonus expense.

(e) Expense recognised in profit or loss

The Group recognised total expenses of US$0.6 million related to equity-settled share-based payment transactions during the 6 months ended December 31, 2022, compared to US$0.5 million during the 6 months ended December 31, 2021.

22. BORROWINGS

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Non-current bank borrowings	**12,023**	—
Current bank borrowings	**12,723**	28,511
	24,746	28,511

During the 6 months ended December 31, 2022, the Group made a US$3.75 million repayment towards the EnTie bank US$30 million long-term borrowing facility. The Group incurred US$0.679 thousand in bank charges on the bank borrowings.

The Group's borrowings repayable based on the scheduled repayment dates are as follows:

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Within 1 year	**12,723**	28,511
After 1 year but within 2 years	**12,023**	—
After 2 years but within 5 years	**—**	—
	24,746	28,511

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates were as follows:

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
6 months or less	**24,746**	28,511

The effective interest rates per annum of the bank borrowings are ranged as follows:

US$ in thousands	**As at December 31, 2022**	As at June 30, 2022
Interest rates	**3.60%–4.80%**	2.39%–4.89%

Bank borrowings are secured by certain bank deposits of the Group as disclosed in restricted cash.

23. TRADE PAYABLES

Aging analysis of the trade payables based on invoice date at the end of each reporting period are as follows:

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Current	**2,102**	1,469
Past Due	**451**	1,216
	2,553	2,685

The Group considered that the carrying amounts of trade payables approximated to their respective fair values as at December 31, 2022 and June 30, 2022.

The carrying amounts of trade payables are mainly denominated in US$.

24. OTHER PAYABLES AND PROVISIONS

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Salaries and bonuses payable	**1,974**	1,415
Professional service fee payable	**316**	869
Others	**1,583**	1,051
	3,872	3,335

The Group considered that the carrying amounts of other payables and provisions approximated to their respective fair values as at December 31, 2022 and June 30, 2022.

The carrying amounts of other payables and provisions are mainly denominated in US$.

25. CONTINGENT LIABILITIES

As at December 31, 2022, the Company had the following contingent liabilities:

In April 2018, a former employee of the Group's subsidiary, IntelliCentrics, Inc., filed a lawsuit in Denton County, Texas, U.S., against IntelliCentrics, Inc. The former employee asserted certain claims: breach of employment agreement and age discrimination. As at the date of this interim report, the lawsuit is ongoing. In review of the status with our external counsel, the Group does not expect an adverse outcome and no provision is recorded.

In April 2022, a former employee of the Group's subsidiary, IntelliCentrics, Inc., filed a lawsuit against IntelliCentrics, Inc. The former employee asserted certain claims: breach of employment agreement and wrongful termination. As at the date of this interim report, the lawsuit is ongoing. In review of the status with our external counsel, the Group does not expect an adverse outcome and no provision is recorded.

Except as disclosed above, as at December 31, 2022, the Group did not have other material contingent liabilities.

26. RELATED PARTIES TRANSACTIONS

The following individuals and companies are related parties of the Group that had balances and/or transactions with the Group for the 6 months ended December 31, 2022, and 6 months ended December 31, 2021:

Names of the Related Parties	Nature of Relationships
VTC Electronics Corp. ("VTC")	Controlled by the same controlling shareholder
ICTW Corp. ("ICTW")	Controlled by the same controlling shareholder
Sophist Consulting	Controlled by Chief Product Officer
Leo Hermancinski (Consulting)	Controlled by a Board Member
Ocin Corp.	Ultimate holding company

Each of the related parties' transactions have been reviewed by operating and financial management. As they are 10.7% of the total spend of the Company, they are considered insignificant transactions.

26. RELATED PARTIES TRANSACTIONS (Continued)

The following transactions were carried out with related parties:

(a) Transactions with related parties

The aggregate value of transactions and outstanding balances related to related parties and entities over which they have control or significant influence were as follows:

	Transactions		Balances	
US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Office rental expense[1]	**302**	158	**354**	—
Consulting services[2]	**2,172**	84	**—**	743
	2,474	242	**354**	743

Notes:

(1) The Group rents office space in Taiwan from VTC. VTC rents the space from a third party that is not considered a related party. The office space is used by the Chairman and other employees of the Group located in Taiwan. Amounts due under this agreement are non-trade in nature, unsecured, interest free, repayable on demand and denominated in US$.

(2) The Group also contracts accounting services from VTC and chief product officer services from Simone Pringle. Simone Pringle is the owner of Sophist Consulting.

27. FINANCIAL INSTRUMENTS — FAIR VALUE MEASUREMENT

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards as discussed in Note 3(d) of the Company's Annual Report 2021/22.

(a) Financial instruments by category

The following table shows the carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

US$ in thousands	Notes	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Financial assets measure at fair value through other comprehensive income			
Investment in equity instruments	19	**509**	812
		509	812
Financial assets at amortised cost			
Deposits, prepayments and other receivables		**1,782**	2,695
Restricted cash	18	**9,862**	12,844
Cash and cash equivalents		**17,466**	23,506
		29,110	39,045
Financial liabilities at amortised cost			
Borrowings	22	**24,746**	28,511
Trade payables	23	**2,553**	2,685
Other payables and provisions	24	**3,872**	3,335
Amounts due to related parties	26	**354**	743
		31,525	35,274

27. FINANCIAL INSTRUMENTS — FAIR VALUE MEASUREMENT (Continued)

(b) Fair value and fair value hierarchy of financial instruments

The carrying amounts of deposits, prepayments and other receivables, restricted cash, cash and cash equivalents, trade payables, other payables, and amounts due to related parties are assumed to approximate their fair values due to their short-term nature. If the carrying amount of the financial assets and financial liabilities are a reasonable approximation of fair value, they are not valued at fair value and have thus been excluded from the tables below.

Further, for the current or prior reporting period, the fair value disclosure of lease liabilities is not required.

(i) Fair value of financial instruments measured at fair value

The following table shows the carrying amounts and the recurring fair values of financial assets, including their levels in the fair value hierarchy.

As at December 31, 2022 (Unaudited)

		Carrying amount		**Fair value**				
US$ in thousands	Note	**FVOCI — equity instruments**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Adjustment recorded in OCI**
Financial assets								
Investment in equity instruments	19	**509**	**509**	**509**	**—**	**—**	**509**	**303**
		509	**509**	**509**	**—**	**—**	**509**	**303**

As at June 30, 2022 (Audited)

		Carrying amount		Fair value				
US$ in thousands	Note	FVOCI — equity instruments	Total	Level 1	Level 2	Level 3	Total	Adjustment recorded in OCI
Financial assets								
Investment in equity instruments	19	812	812	812	—	—	812	211
Investment in debt instruments	19	—	0	—	0	—	0	—
		812	812	812	0	—	812	211

27. FINANCIAL INSTRUMENTS — FAIR VALUE MEASUREMENT (Continued)

(b) Fair value and fair value hierarchy of financial instruments (Continued)

(ii) Fair value of financial instruments not measured at fair value

The following table shows the carrying amounts and the recurring fair values of financial liabilities not measured at fair value, including their levels in the fair value hierarchy.

As at December 31, 2022

US$ in thousands	Note	**Carrying amount** (Unaudited)	**Fair value Level 2** (Unaudited)
Borrowings	22	24,746	24,042

As at June 30, 2022

US$ in thousands	Note	**Carrying amount** (Audited)	**Fair value Level 2** (Audited)
Borrowings	22	28,511	28,511

There were no transfers between the different levels during the current reporting period.

28. FINANCIAL RISK MANAGEMENT

28.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange rates, interest rate risk and other market risks), credit risk and liquidity risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Risk management is carried out by the senior management of the Group in close cooperation with the Board and focuses on actively securing and managing the Group's cash flows. Significant investments must be approved by the Board of Directors.

(a) Market risk

Market risk arises from the Group's use of foreign currency, interest bearing, and tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (foreign exchange risk), interest rates (cash flow and fair value interest rate risk), or other market factors (other price risk such as equity price risk).

28. FINANCIAL RISK MANAGEMENT (Continued)

28.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The functional currency of the Company and subsidiaries operating in the USA is US$ whereas functional currency of the subsidiaries operating in the United Kingdom and Canada are British Pound ("GBP") and Canadian Dollar ("CAD"), respectively.

The Group operates mainly in the USA with most of the transactions settled in US$, management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group denominated in the currencies other than US$. The Group is traded on the Hong Kong exchange and holds bank accounts in Hong Kong dollars. The Company currently holds significant funds in Hong Kong dollars.

The foreign exchange loss for the 6 months ended December 31, 2022 was US$61.0 thousand (December 31, 2021: US$6.0 thousand) and was recognised in Other losses in the interim condensed consolidated statement of profit or loss and other comprehensive income or loss.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to interest rates is attributable to its bank balance and restricted cash.

The Group's exposure to changes in interest rates is also attributable to its borrowings, details of which have been disclosed in Note 22. Borrowings carried at floating rates expose the Group to cash flow interest-rate risk whereas those carried at fixed rates expose the Group to fair value interest-rate risk.

As at December 31, 2022, if the interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax (loss)/profit would have been approximately US$25.8 thousand higher/lower (June 30, 2022: US$78.4 thousand higher/lower), mainly attributable to the Group's exposure to interest rates on its variable rate bank balance, restricted cash, short-term bank deposits and bank borrowings.

(iii) Other market factors

The Group's listed equity instruments (disclosed in Note 19) are susceptible to market price risk arising from uncertainties about future values of the investment securities. The effect of a 37% increase as at December 31, 2022 (June 30, 2022: 35% increase) in the value of the equity instruments held at the reporting date would, all other variables held constant, have resulted in an increase in the fair value through other comprehensive income reserve and net assets of US$0.2 million (June 30, 2022: US$0.3 million). A 37% decrease in their value would, on the same basis, have decreased the fair value through other comprehensive income reserve and net assets by the same amount.

28. FINANCIAL RISK MANAGEMENT (Continued)

28.1 Financial risk factors (Continued)

(b) Credit risk

The Group is exposed to credit risk primarily in relation its cash, and deposits (including term deposits) placed with banks and financial institutions, as well as other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

The Group's cash deposits are placed with reputable financial institutions with high credit-ratings assigned by international credit-rating agencies. There has been no recent history of default in relation to these financial institutions.

Other receivables mainly comprise amounts due from related parties, deposits, and other receivables. The Group closely monitors these other receivables to ensure actions are taken to recover these balances in the case of any increase in risk of default. The Group has concluded that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information. Especially the following indicators are incorporated:

- 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.

- Significant changes in the expected performance and behavior of the debtors, including changes in the payment status of debtors.

The Group uses four categories for those receivables which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

28. FINANCIAL RISK MANAGEMENT (Continued)

28.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Basis for recognition of	Expected Category	Group definition of category credit loss provision
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flow	6 months expected losses; where the expected lifetime of an asset is less than 6 months, expected losses are measured at its expected lifetime
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk presumed if interest and/or principal repayments are more than 30 days past due	Lifetime expected losses
Non-performing	Interest and/or principal repayments are more than 365 days past due	Lifetime expected losses
Write-off	Interest and/or principal repayments are more than 3 years past due and there is no reasonable expectation of recovery	Asset is written-off

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivable and adjusts for forward looking macroeconomic data. For the investment in promissory notes, deposits and other receivables, the historical loss rate for these receivables are low. Thus, no impairment provision was recognised for these receivables as the expected credit loss was not material during the period.

28. FINANCIAL RISK MANAGEMENT (Continued)

28.1 Financial risk factors (Continued)

(c) Liquidity risk

Liquidity of the business is actively monitored in relation to changes in revenue and increasing customer support costs caused by COVID-19.

The Group has certain restricted cash at the bank equal to 50% of the value of the debt. The Group aims to maintain sufficient cash and cash equivalents to maintain flexibility in the current business environment.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

US$ in thousands	Within 1 year	After 1 year but within 2 years	After 2 years but within 5 years	After 5 years	Remaining contractual maturities
As at December 31, 2022 (Unaudited)					
Trade payables	**2,553**	**—**	**—**	**—**	**2,553**
Other payables and provisions	**3,872**	**—**	**—**	**—**	**3,872**
Amounts due to related parties	**354**	**—**	**—**	**—**	**354**
Lease liability	**1,305**	**1,337**	**2,707**	**5,071**	**10,421**
Borrowings (including accrued interests)	**12,723**	**12,023**	**—**	**—**	**24,746**
	20,807	**13,360**	**2,707**	**5,071**	**41,946**
As at June 30, 2022 (Audited)					
Trade payables	2,685	—	—	—	2,685
Other payables and provisions	3,335	—	—	—	3,335
Amounts due to related parties	743	—	—	—	743
Lease liability	1,363	1,359	2,953	5,525	11,200
Borrowings (including accrued interests)	29,872	—	—	—	29,872
	37,998	1,359	2,953	5,525	47,835

The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

28. FINANCIAL RISK MANAGEMENT (Continued)

28.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debts divided by total equity. Total debts are calculated as total borrowings. Total equity is total equity of the Group as shown in the interim condensed consolidated statement of financial position.

US$ in thousands	**As at December 31, 2022 (Unaudited)**	As at June 30, 2022 (Audited)
Borrowings	**24,746**	28,511
Total debt	**24,746**	28,511
Total equity	**711**	6,421
Gearing ratio	**3,480.5%**	444.0%

Our gearing ratio ((short-term borrowing + long-term borrowings)/equity) increased to 3,480.5% as at December 31, 2022, from 444.0% as at June 30, 2022. The increase is due to the reduction in equity resulting from the additional share purchases in the Company's RSA trusts. Refer to Note 22 for more details of the borrowings.

29. NOTE TO INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

US$ in thousands	**6 months ended December 31, 2022 (Unaudited)**	6 months ended December 31, 2021 (Unaudited)
(Loss)/profit before income tax	**(4,047)**	(9,049)
Adjustments for:		
Depreciation	**1,709**	2,275
Amortisation	**3,121**	3,321
Interest income	**(183)**	(56)
Interest expense	**967**	703
Income Tax	**—**	(105)
Equity-settled share-based payment transactions	**613**	536
Share in loss of a joint venture	**—**	97
Other financing costs	**—**	83
Gain on redemption of debt instruments	**—**	(93)
Changes in working capital:		
Deposits, prepayments and other receivables	**321**	2,068
Trade payables	**(132)**	(2,171)
Contract liabilities	**(1,897)**	301
Other payables and provisions	**537**	(1,033)
Amounts due to related parties	**(389)**	—
Cash generated from operations	**620**	(3,725)

29. NOTE TO INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

Reconciliation of liabilities arising from financing activities

	Liabilities from financing activities			
US$ in thousands	**Borrowings due within 1 year**	**Borrowings due after 1 year but within 2 years**	**Lease Liability**	**Total**
As at July 1, 2021	5,982	25,491	7,565	39,038
Cash flows	28,511	(25,491)	(466)	2,544
Non-cash amounts recognised in profit or loss	(12)	—	—	(12)
New leases	—	—	828	828
As at June 30, 2022 (Audited)	34,481	—	7,927	42,408
As at July 1, 2022	34,481	—	7,927	42,408
Cash flows	**(15,773)**	**(12,023)**	**(395)**	**(4,145)**
Foreign exchange movement	**—**	**—**	**(46)**	**(46)**
As at December 31, 2022 (Unaudited)	**18,708**	**12,023**	**7,485**	**38,216**

30. EVENTS AFTER THE REPORTING PERIOD

KPMG LLP ("KPMG") resigned as the auditor of the Company with effect from February 28, 2023. Crowe (HK) CPA Limited was appointed as the auditor of the Company with effect from February 28, 2023 to fill the casual vacancy arising from the resignation of KPMG and to hold office until the conclusion of the next annual general meeting of the Company.

Save as disclosed above, the Company has no significant events after the reporting period that need to be brought to the attention of the Shareholders.

Definitions

"AGM"	annual general meeting of the Company;
"Articles of Association"	the Third Amended and Restated Memorandum and Articles of Association of the Company (as amended from time to time);
"Audit Committee"	the audit committee of the Board;
"Board" or "Board of Directors"	the board of Directors of the Company;
"CEO"	the chief executive officer of the Company;
"CG Code"	Corporate Governance Code as set out in Appendix 14 to the Listing Rules;
"Company" or "IntelliCentrics"	IntelliCentrics Global Holdings Ltd. (中智全球控股有限公司), which is an exempted company with limited liability incorporated in the Cayman Islands on June 3, 2016 and the Shares of which are listed on the Main Board of the Stock Exchange on March 27, 2019;
"Director(s)"	director(s) of the Company;
"EBITDA"	Non-IFRS measure of earnings before interest, taxes, depreciation, and amortisation;
"FVOCI'	fair value through other comprehensive income;
"Group", "our Group", "we" or "us"	the Company and its subsidiaries at the relevant time and, in respect of the period before the Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be);
"IAS"	International Accounting Standards;
"IASB"	International Accounting Standards Board;
"IFRS"	International Financial Reporting Standards;
"IPO"	an initial public offering of the Shares and listing of the Shares on the Main Board of the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;

"LoC(s)"	location(s) of care, including hospitals, physician offices and other types of locations where healthcare services are provided such as imaging centers, and long-term care centers;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules;
"MSO"	Medical Staff Office;
"Mr. Liao"	Mr. Liao Xiaoxin, an independent non-executive Director;
"Mr. Lin"	Mr. Lin Tzung-Liang (林宗良), the chairman of the Board, an executive Director and one of our Controlling Shareholders;
"Mr. Sheehan"	Mr. Michael James Sheehan, the CEO and an executive Director;
"Nomination Committee"	the nomination committee of the Board;
"Pre-IPO Share Option Scheme"	the share option plan adopted by the Board on August 7, 2018;
"Registered LoCs"	LoC that has registered on our platform and has not cancelled its registration;
"Remuneration Committee"	the remuneration committee of the Board;
"reporting period"	for the 6 months ended December 31, 2022;
"R&D" or "Research and Development"	research and development;
"RSA Scheme"	the Restricted Share Award Scheme amended and restated by the Company on June 7, 2022;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of US$0.0001 each;

"Shareholder(s)"	holder(s) of the Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subsidiaries"	has the meaning ascribed to it in section 2 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
"UK", "U.K.", or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"USD", "U.S. dollars" or "US$"	U.S. dollars, the lawful currency of the United States of America;
"U.S.", "USA" or "United States"	the United States of America; and
"%"	Percent.

In this interim report, the terms "associate", "connected person", "connected transaction", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.