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 RESULTS ANNOUNCEMENT FOR THE 6 MONTHS ENDED DECEMBER 31, 2023

FINANCIAL HIGHLIGHTS

Revenue. Total revenue decreased slightly by 1.7% or US$0.4 million to US$21.8 million for the 6 months ended December 31, 2023, from US$22.2 million for the 6 months ended December 31, 2022.

Gross Profit. Total gross profit decreased slightly by 2.3% or US$0.5 million to US$19.3 million for the 6 months ended December 31, 2023, from US$19.8 million for the 6 months ended December 31, 2022.

Net Loss. Net loss was US$5.6 million for the 6 months ended December 31, 2023, as compared to a net loss of US$4.2 million for the 6 months ended December 31, 2022. Net loss included other non-operating losses of US$2.7 million related to nonrecurring expenses incurred during the 6 months ended December 31, 2023, in preparation of the Proposed Disposal as disclosed by the Company in the Announcement (both terms as defined below).

Adjusted EBITDA. Adjusted EBITDA was US$1.8 million for the 6 months ended December 31, 2023 as compared to US$1.5 million for the 6 months ended December 31, 2022, resulting in a US$0.3 million increase as new initiatives were implemented. The adjusted EBITDA of US$1.8 million for the 6 months ended December 31, 2023 included other non-operating losses of US$2.7 million for nonrecurring expenses related to the Proposed Disposal (as defined below).

Research and Development. Investment in R&D for the 6 months ended December 31, 2023 was US$7.2 million, of which US$2.4 million was capitalised and US$4.8 million was expensed in the period, as compared to the amounts of US$7.6 million, US$2.4 million and US$5.2 million for the 6 months ended December 31, 2022, respectively. The Company's commitment to investing in R&D continues to enhance the value of our technology platform and network.

The Board of Directors of IntelliCentrics Global Holdings Ltd. (the "**Company**") is pleased to announce the unaudited interim condensed consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the 6 months ended December 31, 2023, together with the comparative figures for the 6 months ended December 31, 2022, as set out below.

SAFE HARBOUR DISCLAIMER

Forward-Looking Statements

Certain statements contained in this interim results announcement may be viewed as forward-looking statements. Forward-looking statements are based on the management's beliefs and assumptions using currently available information about the business, industries, technology, and regions of operations. These statements are only predictions and are not guarantees of future performance, actions, or events. Forward-looking statements are subject to risks and uncertainties. If one or more of these risks or uncertainties materialise, or if the management's underlying assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Forward-looking statements speak only as of the date on which they are made. No undue reliance should be placed on these forward-looking statements by investors or Shareholders. The Group expressly disclaims any obligation to update any forward-looking statements.

Non-IFRS Measures

The Company has presented certain non-IFRS measures in this interim results announcement to provide additional information that the management believes is useful to the reader in gaining a more complete understanding of the operational performance and 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 results announcement.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS

US$ in thousands	*Notes*	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Revenue	*5*	**21,804**	22,181
Cost of revenue		**(2,467)**	(2,392)
Gross profit		**19,337**	19,789
Selling and marketing expenses		**(2,669)**	(2,613)
General and administrative expenses		**(11,658)**	(12,501)
Research and development expenses		**(7,613)**	(8,043)
Other (loss)/income		**(64)**	86
Operating loss		**(2,667)**	(3,282)
Finance costs		**(1,322)**	(967)
Finance income		**363**	183
Other non-operating (loss)/income	*6*	**(2,700)**	19
Loss before income tax		**(6,326)**	(4,047)
Income tax benefit/(expense)	*7*	**743**	(167)
Loss for the period		**(5,583)**	(4,214)
Other comprehensive income/(loss):			
Item that will not be subsequently reclassified to profit or loss:			
— Equity instruments at FVOCI — net change in fair value		**13**	(303)
Item that may be subsequently reclassified to profit or loss:			
— Currency translation differences		**128**	(1,088)
Other comprehensive income/(loss) for the period, net of tax		**141**	(1,391)
Total comprehensive loss for the period		**(5,442)**	(5,605)

US$ in thousands	*Note*	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Loss for the period			
Attributable to owners of the Company		**(5,586)**	(4,212)
Attributable to non-controlling interests		**3**	(2)
		(5,583)	(4,214)
Total comprehensive loss for the period			
Attributable to owners of the Company		**(5,445)**	(5,603)
Attributable to non-controlling interests		**3**	(2)
		(5,442)	(5,605)
Loss per Share attributable to owners of the Company for the period (expressed in US$ per Share)			
— Basic and diluted	*8*	**(0.012)**	(0.009)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment, net	**4,895**	5,448
Goodwill and other intangible assets, net	**22,407**	22,897
Right-of-use assets, net	**4,374**	4,512
Deposits and prepayments	**145**	143
Restricted cash	**143**	143
	31,964	33,143
Current assets		
Financial assets at fair value through other comprehensive income	**289**	276
Deposits, prepayments and other receivables	**2,400**	1,586
Restricted cash	**11,700**	10,800
Cash and cash equivalents	**4,395**	12,758
	18,784	25,420
Total assets	**50,748**	58,563
EQUITY		
Equity attributable to owners of the Company		
Share capital	**46**	46
Share premium	**72,776**	72,776
Other reserves	**(97,875)**	(98,160)
Retained earnings	**15,783**	21,366
	(9,270)	(3,972)
Non-controlling interests	**(109)**	(112)
Total equity	**(9,379)**	(4,084)

US$ in thousands	Notes	As at December 31, 2023 (Unaudited)	As at June 30, 2023 (Audited)
LIABILITIES			
Non-current liabilities			
Other liabilities		**16**	7
Deferred income tax liabilities		**1,887**	1,968
Lease liabilities		**6,005**	6,237
		7,908	8,212
Current liabilities			
Borrowings		**23,418**	24,018
Lease liabilities		**1,071**	913
Trade payables	*10*	**1,593**	635
Other payables and provisions		**4,140**	5,262
Amounts due to related parties		**685**	562
Contract liabilities	*5*	**20,815**	22,102
Current income tax liabilities		**496**	943
		52,218	54,435
Total liabilities		**60,126**	62,647
Total equity and liabilities		**50,747**	58,563

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

As disclosed in the Company's announcement dated February 9, 2024 (the "**Announcement**"), on February 9, 2024, IntelliCentrics Holding Company, an indirectly wholly-owned subsidiary of the Company, entered into a share purchase agreement in relation to a proposed very substantial disposal (the "**Proposed Disposal**") of the entire issued share capital of Inception Point Systems Ltd., which constitutes a very substantial disposal of the Company. Please refer to the Announcement for further details on the Proposed Disposal. If the Proposed Disposal materialises, the Directors will resolve to wind up the Company voluntarily as soon as practicable following the full payment of the Special Interim Dividend (as defined in the Announcement) and the settlement of other outstanding liabilities of the Group. As such, the Directors did not consider it to be appropriate to prepare the interim condensed consolidated financial statements on a going concern basis. It is also noted that pursuant to the Hong Kong Accounting Standards 10 (HKAS 10), an entity shall not prepare its financial statements on a going concern basis if management determines after the reporting period that it intends to liquidate the entity or cease trading. Accordingly, the interim condensed consolidated financial statements have been prepared on a basis other than going concern. In preparing the interim condensed consolidated financial statements, the Directors reassessed the measurement, recognition and disclosures and considered no adjustments or other departures from the recognition and measurement requirements under the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (the "**IASB**") which are ordinarily applicable to the preparation of financial statements on a going concern basis, including any reclassifications of assets or liabilities, were necessary.

The interim results announcement of the Group have been prepared in accordance with IFRS and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These interim condensed consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets measured at fair value, and are in accordance with the same accounting policies adopted in the annual financial statements as at and for the 12-month period ended June 30, 2023.

The preparation of this interim results announcement of the Group is in conformity with International Accounting Standard ("**IAS**") 34 and require 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.

These interim results should be read in conjunction with the Company's Annual Report 2022/23 issued on October 30, 2023. 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 2022/23. 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 IFRS.

The interim condensed consolidated financial statements disclosed all of the matters of which we are aware that are relevant to the Group's ability to continue as a going concern, including all significant conditions and events, mitigating factors and the Group's plans. The Group had a net loss of US$5.6 million for the 6 months ended December 31, 2023 and US$8.8 million for the 12 months ended June 30, 2023. The Group had net current liabilities of US$33.4 million as at December 31, 2023 and US$29.0 million as at June 30, 2023. Total current assets decreased by US$6.6 million, and total current liabilities decreased by US$2.2 million for the 6 months ended December 31, 2023.

The interim condensed consolidated financial statements 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, 2023. 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 notes are presented in the United States Dollar, which is the functional and presentation currency of the Company.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

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

The Group has adopted the following new standards and amendments in the condensed consolidated financial statements for the 6 months ended December 31, 2023:

- Disclosure of Accounting Policies — Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates — Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction — Amendments to IAS 12
- International Tax Reform-Pillar Two Model Rules — Amendments to IAS 12
- Insurance Contracts — IFRS 17 and Amendments to IFRS 17

The adoption of the new standards and amendments listed above did not have a significant impact on the Group's condensed consolidated financial statements for the 6 months ended December 31, 2023.

2.2 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 — Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	January 1, 2024
Amendments to IAS 7 and IFRS 7 — Supplier Finance Arrangements	January 1, 2024
Amendments to IFRS 16 — Leases Liability on Sale and Leaseback	January 1, 2024
Amendments to IAS 21 — Lack of Exchangeability	January 1, 2025
Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies is listed in detail in the Company's Annual Report 2022/23. During this interim reporting period, there were no significant changes in the Company's accounting policies.

4 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 by 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.

5 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, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Vendor and Medical Credentialing	**21,374**	21,757
Add-on Services	**430**	424
	21,804	22,181

Disaggregation of Revenue from Contracts with Customers

US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Timing of revenue recognition		
— Over time	**21,640**	22,026
— At a point in time	**164**	155
	21,804	22,181

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, 2023 totaling US$21.0 million (US$21.5 million for the 6 months ended December 31, 2022).

Contract Liabilities

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

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
Contract liabilities	**20,815**	22,102

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. All contract liabilities expected to be recognised as revenue within one year.

The amount of revenue recognised for the 6 months ended December 31, 2023 that was included in the contract liabilities balance at the beginning of the period was US$15.1 million as compared to US$16.1 million for the 6 months ended December 31, 2022. All contract liabilities are amortised within one year.

6 OTHER NON-OPERATING (LOSS)/INCOME

US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)
Other	**(2,700)**	19
	(2,700)	19

For the 6 months ended December 31, 2023, other non-operating losses consist of US$2.7 million nonrecurring expenses in relation to the Proposed Disposal as disclosed in the Announcement.

7 INCOME TAXES

Income tax benefit/(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.

The Group's consolidated effective tax rate in respect of continuing operations was 31% tax expense for the 6 months ended December 31, 2023, compared to (86.0)% global rate tax expense for the 6 months ended December 31, 2022. The change is due to a consolidated loss for tax purposes and a decrease in tax liability as of December 31, 2023 compared to the prior period.

8 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, 2023 (Unaudited)	6 months ended December 31, 2022 (Unaudited)
The Group's loss attributable to owners of the Company *(US$ in thousands)*	**(5,586)**	(4,212)
Weighted average number of Shares in issue *(in thousands)*	**452,545**	452,545
Basic loss per Share *(US$ per Share)*	**(0.012)**	(0.009)

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 and Employee Retention and Recognition Program) to assume conversion of all dilutive potential Shares. The Group did not have potentially dilutive Shares during the 6 months ended December 31, 2023 or the 6 months ended December 31, 2022, and accordingly the diluted loss per Share equals the basic loss per Share.

9 DIVIDENDS

No dividends have been paid or declared by the Company for the 6 months ended December 31, 2023 nor for the 6 months ended December 31, 2022.

10 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, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
Current	**787**	215
Within 1 month	**806**	149
Due 1 to 3 months	**—**	58
Due over 3 months but less than 12 months	**—**	213
	1,593	635

The Group considered that the carrying amounts of trade payables approximated to their respective fair values as at December 31, 2023 and June 30, 2023.

11 EVENTS AFTER THE REPORTING PERIOD

As disclosed in Announcement, IntelliCentrics Holding Company, an indirectly wholly-owned subsidiary of the Company, entered into a share purchase agreement on February 9, 2024 in relation to the Proposed Disposal of the entire issued share capital of Inception Point Systems Ltd., which constitutes a very substantial disposal of the Company. Please refer to the Announcement for further details on the Proposed Disposal.

There were otherwise no significant events affecting the Group subsequent to the end of the 6 months ended December 31, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Despite the economic slowdown triggered in large by the rapid tightening of global monetary policy in response to inflation, the 6 months ended December 31, 2023 have continued to see positive developments across the globe. As the development of the healthcare systems center around digital transformation, we remain committed to delivering innovative and trusted technologies with a view to digitizing various aspects of healthcare, with a primary focus on vendor and medical credentialing.

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. The Group's revenue decreased slightly by US$0.4 million for the 6 months ended December 31, 2023 from the comparable period ended December 31, 2022, and gross profit decreased slightly by US$0.5 million to US$19.3 million for the 6 months ended December 31, 2023. For the 6 months ended December 31, 2023, the net loss was US$5.6 million, as compared to a net loss of US$4.2 million for the 6 months ended December 31, 2022. Net loss included other non-operating losses of US$2.7 million related to nonrecurring expenses incurred during the 6 months ended December 31, 2023, in preparation of the Proposed Disposal as disclosed in the Announcement (both terms as defined below). Adjusted EBITDA was US$1.8 million for the 6 months ended December 31, 2023 as compared to US$1.5 million for the 6 months ended December 31, 2022, resulting in a US$0.3 million increase as new initiatives were implemented. The adjusted EBITDA of US$1.8 million for the 6 months ended December 31, 2023 included other non-operating losses of US$2.7 million for nonrecurring expenses related to the Proposed Disposal (as defined below).

We had 125,581 paying subscribers as at December 31, 2023, representing a 0.8% decrease as compared to December 31, 2022. Our medical credentialing subscriber base decreased by 0.8%, and our United Kingdom subscriber base increased by 5.0%. As of December 31, 2023, we had 9,731 Registered LoCs, which represents a 2.0% decrease as compared to December 31, 2022.

Outlook

As disclosed in the Company's announcement dated February 9, 2024 (the "**Announcement**"), IntelliCentrics Holding Company, an indirectly wholly-owned subsidiary of the Company, entered into a share purchase agreement on February 9, 2024 in relation to a proposed very substantial disposal (the "**Proposed Disposal**") of the entire issued share capital of Inception Point Systems Ltd., which constitutes a very substantial disposal of the Company. Please refer to the Announcement for further details on the Proposed Disposal. Nonetheless, as future government actions, financial market and other macroeconomic conditions remain uncertain, Shareholders should note that the Board's assessment with respect to the future business operations and liquidity of the Group is based on information about the business, industries, technology, and regions of operations currently available to the Company and should not be taken as guarantees of future performance, actions, or events. Please refer to Note 1 (Basis of Preparation) to the condensed consolidated financial statements contained in this interim results announcement for further details.

Assets

Total assets of the Group decreased from US$58.6 million as at June 30, 2023 to US$50.7 million as at December 31, 2023. The decrease is driven by repayment of borrowings of US$0.6 million and expenses associated with technology development for MSO, and increased operating costs in implementing the Group's initiatives.

Liquidity

During the reporting period, our current ratio weakened from 0.5 as of June 30, 2023 to 0.4 as of December 31, 2023. Our working capital declined from US$(29.0) million as of June 30, 2023 to US$(33.4) million as of December 31, 2023. The decreases are primarily a result of repayments on borrowings, marketing and other costs in commercializing our medical credentialing business and our eBadge technology.

As at December 31, 2023, we had total current liabilities of US$52.2 million, comprising mainly (i) contract liabilities totaling US$20.8 million and (ii) bank borrowings, lease liabilities and other payables of US$31.4 million which are repayable within the next 12 months. Furthermore, we have extended the repayment date of our outstanding bank borrowings of approximately US$23.4 million, which were originally due and payable in December 2023. On July 20, 2023, the Group entered into an agreement with the lending bank to extend the maturity of the bank loan to March 2024.

Our contract liabilities represent subscription fees prepaid by our customers for which the purchased services had not been rendered in full. Given our high gross profit margin of 88.7% for the 6 months ended December 31, 2023, the actual cost of revenue for such services is expected to be substantially lower than the stated amount of contract liability.

As the development of our MSO products is substantially complete, we expect our operating expenses associated with technology development will decrease substantially in the next 12 months. Our subscribers pay their fees at the beginning of their annual term, in which provides the Company with a cash inflow and therefore there is no credit risk for accounts receivable.

Given the above, the Directors believe the Group will have sufficient working capital to maintain its operations in the next 12 months from December 31, 2023. For further details of the measures that we have taken to improve our liquidity position, please refer to Note 1 (Basis of Preparation) to the condensed consolidated financial statements contained in this interim results announcement. Nonetheless, as future government actions, financial market and other macroeconomic conditions remain uncertain, Shareholders should note that the Board's assessment with respect to the future business operations and liquidity of the Group is based on currently available information about the business, industries, technology, and regions of operations and should not be taken as guarantees of future performance, actions, or events.

Financial Review

Results of Operations

This interim results announcement is reporting results of operations for the 6-month period from July 1, 2023 to December 31, 2023 as compared to the 6-month period from July 1, 2022 to December 31, 2022.

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	**December 31, 2023 (Unaudited)**	December 31, 2022 (Unaudited)
Revenue	**21,804**	22,181
Cost of revenue	**(2,467)**	(2,392)
Gross profit	**19,337**	19,789
Selling and marketing expenses	**(2,669)**	(2,613)
General and administrative expenses	**(11,658)**	(12,501)
Research and development expenses	**(7,613)**	(8,043)
Other (loss)/income	**(64)**	86
Operating loss	**(2,667)**	(3,282)
Finance costs	**(1,322)**	(967)
Finance income	**363**	183
Other non-operating (loss)/income	**(2,700)**	19
Loss before income tax	**(6,326)**	(4,047)
Income tax benefit/(expense)	**743**	(167)
Loss for the period	**(5,583)**	(4,214)
Non-IFRS Measures		
Adjusted — EBITDA	**(1,800)**	1,548

Non-IFRS Measures

The Company has presented certain non-IFRS measures in this interim results announcement to provide additional information that the management believes is useful to the reader in gaining a more complete understanding of the operational performance and 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 results announcement.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) is a non-IFRS 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 income and the income tax benefit, net interest expenses, 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 reflect the Company's core operating results and business outlook.

Adjusted EBITDA

US$ in thousands	**6 months ended December 31, 2023 (Unaudited)**	6 months ended December 31, 2022 (Unaudited)	$ Change	% Change
Loss for the period (IFRS)	**(5,583)**	(4,214)	(1,369)	32.5
Income tax benefit/(expense)	**743**	(167)	910	(544.9)
Loss before income tax	**(6,326)**	(4,047)	(2,279)	56.3
Interest income, net	**960**	782	178	22.8
Loss before interest and taxes	**(5,367)**	(3,265)	(2,102)	64.4
Depreciation	**1,472**	1,711	(239)	(14.0)
Amortisation	**2,995**	3,121	(126)	(4.0)
Other non-operating loss/(income)	**2,700**	(19)	2,719	(14,310.5)
Adjusted EBITDA*(Note)*	**1,800**	1,548	252	16.3

Note: The Company incurred US$2.7 million nonrecurring expenses in relation to the Proposed Disposal as disclosed in the Announcement, which has been included in "other non-operating loss/(income)".

We use adjusted EBITDA, which represents net income before (i) income tax benefit/(expense), and net interest income/(expense), (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, and (iii) nonrecurring expenses in relation to the Proposed Disposal as disclosed in the Announcement, which we do not believe are reflective of our core operating performance during the periods presented.

Financial Position

Working Capital

Our working capital decreased to negative working capital of US$33.4 million as at December 31, 2023 from negative US$29.0 million as at June 30, 2023, primarily as a result of cash used in operations and repayments of borrowings of US$0.6 million during the same period.

Current Ratio

The current ratio weakened from 0.5 as at June 30, 2023 to 0.4 as at December 31, 2023. The decline in our current ratio is primarily a result of repayments on borrowings, and marketing and other costs in commercializing our medical credentialing business and our eBadge technology. Current ratio is calculated as current assets divided by current liabilities as at the date indicated. Our total current liabilities as at December 31, 2023 was US$52.2 million (as at June 30, 2023: US$54.4 million), of which US$20.8 million were contract liabilities (as at June 30, 2023: US$22.1 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

Our gearing ratio (calculated by dividing (i) total debts by (ii) total equity) improved from negative 249.7% as at December 31, 2023 from negative 588.1% as at June 30, 2023. The change is primarily a result of repayment on borrowings for the 6 months ended December 31, 2023.

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 Group; 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.

For the 6 months ended December 31, 2023, we have continued to maintain a restrictive policy on investments for further development of MSO and new potential business. A large majority of the Group's operating expenses are reflected in personnel expenses as our employees are the enablers for setting up infrastructure for growth. Our net loss of US$5.6 million for the 6 months ended December 31, 2023 is mainly attributable to general and administrative costs in commercializing our medical credentialing business.

As at December 31, 2023, we had bank borrowings, lease liabilities and other liabilities repayable within the next 12 months totaling US$31.4 million, whereas our cash and cash equivalents and restricted cash amounted to US$16.2 million. We have proactively taken various measures to improve our liquidity position, details of which are set out in Note 1 (Basis of Preparation) to the condensed consolidated financial statements contained in this interim results announcement. Please see the section headed "Management Discussion and Analysis — Business Overview — Liquidity" in this interim results announcement for a discussion on the sufficiency of our working capital for the next 12 months from December 31, 2023.

Our total borrowings as of December 31, 2023 amounted to US$23.4 million, representing a 2.5% decrease from the balance as of June 30, 2023 totaling US$24.0 million. We have obtained from the lender exemptions for certain missed covenants applicable to both the reporting periods ended June 30, 2023 and December 31, 2023.

We incurred net current liabilities of US$33.4 million as at December 31, 2023, representing an increase as compared to US$29.0 million as at June 30, 2023. Total current assets decreased by US$6.6 million, and total current liabilities decreased by US$2.2 million, primarily due to repayments on borrowings and cash used in operations for the 6 months ended December 31, 2023.

As at December 31, 2023, the cash and cash equivalents, and total assets less current liabilities were US$4.4 million and negative US$1.5 million, respectively, as compared to US$12.8 million, and US$4.1 million as at June 30, 2023, 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 business is exposed to foreign exchange risk relating primarily to the U.K., where most of R&D activities are performed. During the 6 months ended December 31, 2023, 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. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures.

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, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
USD	**3,197**	11,671
HKD	**145**	238
GBP	**612**	708
NTD	**400**	67
CAD	**41**	63
EUR	**1**	11
Total	**4,396**	12,758

Indebtedness

Borrowings

Our total borrowing balance as at December 31, 2023 was US$23.4 million with variable interest rates per annum ranging between 8.18%–8.24% as compared to US$24.0 million with variable interest rates per annum ranging between 3.60%–8.18% as at June 30, 2023. During the 6 months ended December 31, 2023, the Group made US$0.6 million repayment toward borrowings. The borrowings are secured by certain bank deposits and are denominated in US$.

US$ in thousands	**As at December 31, 2023 (Unaudited)**	As at June 30, 2023 (Audited)
Borrowings		
— Current	**23,418**	24,018
— Non-current	**—**	—
Total	**23,418**	24,018

Contingent Liabilities

As at December 31, 2023, the Company did not have any contingent liabilities.

OTHER INFORMATION

Employees and Remuneration Policy

As of December 31, 2023, the Group had 161 employees (June 30, 2023: 184 employees). Total staff remuneration expenses including Directors' remuneration for the 6 months ended December 31, 2023 equals US$12.2 million (December 31, 2022: US$13.7 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 RSA Schemes 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 Schemes.

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, 2023.

Corporate Governance Practice

The Board is committed to maintaining high corporate governance standards. During the 6 months ended December 31, 2023, the Company has applied the principles and code provisions as set forth in part 2 of 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 part 2 of the CG Code during the 6 months ended December 31, 2023.

As of the date of this interim results announcement, 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 were in compliance with the standards specified in the Model Code during the period from their respective appointment date until December 31, 2023. The Company has made specific inquiries to 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, 2023, 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

On August 20, 2019, the Group purchased 118,000 shares of overseas listed equity securities of AerKomm Inc. at the cost of US$5.0 million. The purchase represented approximately 1.3% of the issued and outstanding shares of AerKomm Inc.. The fair value of the Company's investment in AerKomm Inc. amounted to US$0.3 million as at December 31, 2023 or approximately 0.5% of the Company's total assets. As at December 31, 2023, the Company had recorded an unrealised loss on this investment of US$4.7 million through other comprehensive income due to the reduction in the fair value of the AerKomm Inc.'s shares as indicated by the quoted market price on December 31, 2023. For the 6 months ended December 31, 2023, there were no dividends received from this investment.

Since December 2022, Beijing Sciencare Technology Co., Ltd., a non-consolidated joint venture of the Company which is owned as to 40.0% by IntelliCentrics Zengine (Hong Kong) Company Limited, has ceased all of its substantive business operations.

As disclosed in the Announcement, IntelliCentrics Holding Company, an indirectly wholly-owned subsidiary of the Company, entered into a share purchase agreement on February 9, 2024 in relation to the Proposed Disposal of the entire issued share capital of Inception Point Systems Ltd., which constitutes a very substantial disposal of the Company. Please refer to the Announcement for further details on the Proposed Disposal.

Saved as disclosed above, there were no other significant investments, nor material acquisitions, or disposals of subsidiaries, associate and joint ventures during the 6 months ended December 31, 2023.

Future Plans for Material Investment or Capital Assets

As of December 31, 2023, there were no plans for material investments or capital assets outside the normal course of operations.

Events After the Reporting Period

As disclosed in the Announcement, IntelliCentrics Holding Company, an indirectly wholly-owned subsidiary of the Company, entered into a share purchase agreement on February 9, 2024 in relation to the Proposed Disposal of the entire issued share capital of Inception Point Systems Ltd., which constitutes a very substantial disposal of the Company. Please refer to the Announcement for further details on the Proposed Disposal.

There were otherwise no significant events affecting the Group subsequent to the end of the 6 months ended December 31, 2023.

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 condensed consolidated financial results of the Group for the 6 months ended December 31, 2023. 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.

Publication of Interim Results Announcement and Interim Report

This interim results announcement is published on the website of the Stock Exchange at **www.hkexnews.hk** and on the Company's website at **www.intellicentrics-global.com**. The interim report of the Company for the 6 months ended December 31, 2023 will be published on the aforesaid websites and dispatched to the Shareholders in due course.

DEFINITIONS

"Audit Committee"	the audit committee of the Board;
"Board" or "Board of Directors"	the board of Directors;
"CG Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
"Company"	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;
"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 C3 to the Listing Rules;
"MSO"	Medical Staff Office;
"PRC"	the People's Republic of China;
"Registered LoCs"	LoC that has registered on our platform and has not cancelled its registration;
"Remuneration Committee"	the remuneration committee of the Board;
"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;
"RSA Scheme for Core Connected Persons"	the Restricted Share Award Scheme for Core Connected Persons amended and restated by the Company on June 7, 2022;
"RSA Schemes"	the RSA Scheme and the RSA Scheme for Core Connected Persons;
"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;
"U.K."	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;
"U.S.", "USA" or "United States"	the United States of America; and
"%"	percent.

In this interim results announcement, 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.

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

Hong Kong, February 29, 2024

As at the date of this announcement, the executive Directors are Mr. LIN Tzung-Liang and Mr. Michael James SHEEHAN; the non-executive Directors are Mr. LIN Kuo-Chang and Mr. Leo HERMACINSKI; and the independent non-executive Directors are Mr. HSIEH Yu Tien, Mr. WONG Man Chung Francis and Mr. LIAO Xiaoxin.