

INCREDIBLE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 199906220H)

The Proposed Acquisition of Billion Credit Financial Company Limited Entry into Sale and Purchase Agreement

1. Introduction

The board of directors (the “**Board**”) of Incredible Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had, on 27 September 2021, entered into a sale and purchase agreement (the “**SPA**”) with Great Winner Holdings Limited (the “**Vendor**”), to acquire 10,000 ordinary shares (the “**Sale Shares**”) in Billion Credit Financial Company Limited (the “**Target**”), representing 100% of the issued share capital of the Target, for an aggregate consideration of HK\$5.8 million (equivalent to approximately S\$1 million) (the “**Proposed Acquisition**”). Upon completion of the Proposed Acquisition, the Target will become a wholly-owned subsidiary of the Company.

The Proposed Acquisition is an “interested person transaction” under Chapter 9 of the Catalist Rules which value is more than 5% of the Group’s latest audited net tangible assets (“**NTA**”) and is classified as a “discloseable transaction” under Chapter 10 of the Catalist Rules. Accordingly, the Proposed Acquisition is conditional upon approval by shareholders of the Company (“**Shareholders**”) in a general meeting. Christian Kwok-Leun Yau Heilesen (“**Mr Heilesen**”) will abstain from voting on the ordinary resolution in relation to the Proposed Acquisition and has undertaken to ensure that its associates will abstain from voting on the ordinary resolution in relation to the Proposed Acquisition.

2. Information on the Vendor

The information on the Vendor provided below was provided to the Company by the Vendor. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The responsibility of the Board is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.

The Vendor is a private company limited by shares incorporated in the Hong Kong Special Administrative Region of the People’s Republic of China on 24 June 2016. The Vendor is an investment holding company .

As at the date of this announcement, the Vendor is wholly-owned by Mr Heilesen who is the Executive Director and controlling shareholder of the Company.

As at the date of this announcement, the Vendor does not hold any shares in the Company.

3. Information on Mr Heilesen

The information on Mr Heilesen provided below was provided to the Company by Mr Heilesen. In respect of such information, the Board (excluding Mr Heilesen) has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The responsibility of the Board (excluding Mr Heilesen) is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.

Mr Heilesen is a director and a controlling shareholder of the Company. As at the date of this announcement, Mr Heilesen is a director of the Target and Mr Heilesen has indirect interest in the entire share capital of the Target through the Vendor. Accordingly, Mr Heilesen is an “interested person”

under Chapter 9 of the Catalist Rules and the Proposed Acquisition is an “interested person transaction” under Chapter 9 of the Catalist Rules.

Mr Heilesen holds indirectly, 1,770,461,781 shares in the Company, representing approximately 59.14% of the issued share capital of the Company as at the date of this announcement.

4. Information on the Target

The information on the Target provided below was provided to the Company by the Target. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The responsibility of the Board is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.

4.1 Corporate Information

The Target, Billion Credit Financial Company Limited, is a private company limited by shares incorporated in the Hong Kong Special Administrative Region of the People's Republic of China on 20 June 2012 and has an issued share capital of HK\$10,000 comprising 10,000 ordinary shares as at the date of this announcement.

The Target is principally in the business of money-lending mainly to individuals who provide assets as collateral.

The money lenders license of the Target expired on 18 August 2021. The Target has applied for renewal of the license and as at the date of this announcement, the application is pending the approval from the court in Hong Kong. It is customary in Hong Kong and according to the Money Lenders Ordinance in Hong Kong, the governing legislation of the money lending business, the Target is allowed to continue operations of its money-lending business during the period in which the application for renewal of the license is pending approval from the court in Hong Kong.

4.2 Financial Information

Based on the audited financial statement of the Target for the financial year ended 31 December 2020:

- (a) the book value of the Sale Shares, representing 100% of the issued share capital of the Target, was approximately negative HK\$2.3 million (equivalent to approximately negative S\$0.4 million) as at 31 December 2020;
- (b) the NTA value represented by the Sale Shares, representing 100% of the issued share capital of the Target, was approximately negative HK\$2.3 million (equivalent to approximately negative S\$0.4 million) as at 31 December 2020; and
- (c) the net profits attributable to the Sale Shares, representing 100% of the issued share capital of the Target, was approximately HK\$155,000 (equivalent to approximately S\$27 thousand) for the financial year ended 31 December 2020.

4.3 Valuation

The information on the Independent Valuer provided below was provided to the Company by the Vendor. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The Board's responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.

The Company commissioned Peak Vision Appraisals Limited to conduct a valuation on 100% equity interest of the Target (“**Independent Valuer**”). According to the valuation report issued by the

Independent Valuer on 27 September 2021 prepared in accordance with the HKIS Valuation Standards 2020 published by the Hong Kong Institute of Surveyors and the International Valuation Standards (Effective 31 January 2020) published by the International Valuation Standards Council (the "**Valuation Report**"):

- (a) As at 30 June 2021, the Target had a market value of HK\$4.73 million (equivalent to approximately S\$0.8 million); and
- (b) The Independent Valuer valued 100% equity interest of the Target using the income approach.

5. Rationale for the Proposed Acquisition

The Proposed Acquisition is aligned with the Group's plan to diversify into the financing business for the provision of personal and business loan in Hong Kong. The Company's financing business for the provision of personal and business loans in Hong Kong which was approved by the Shareholders at the extraordinary general meeting of the Company held on 6 September 2017.

6. Consideration for the Proposed Acquisition

The consideration for Sale Shares shall be HK\$5.8 million (equivalent to approximately S\$1 million) (the "**Consideration**") which shall be paid by the Company to the Vendor:

- (a) by way of a promissory note with 8% interest rate per annum (the "**Promissory Note**") in which the Company promises to pay S\$1 million to the Vendor in accordance with the terms of the Promissory Note; or
- (b) such other payment method as the Company and the Vendor may agree in writing.

The Consideration was arrived at arm's length and on a willing-buyer-willing-seller basis, after taking into account, *inter alia*, the following:

- (a) market value of the Target in the valuation report;
- (b) net profits after tax recorded in the audited financial statements for the year ended 31 December 2020 of the Target was HK\$155,000 (equivalent to S\$27,000); and
- (c) prevailing economic conditions.

7. Principle terms of the SPA

According to the SPA:

- (a) the obligations of the Company and the Vendor are conditional upon, and completion shall not take place until, all of the following conditions have been fulfilled or waived (as the case may be) on or prior to the completion date:
 - (i) the Vendor obtaining such approvals from the board of directors and/or shareholders of the Target in connection with the SPA and the transactions contemplated therein as may be necessary;
 - (ii) the Company obtaining such approvals from its board of directors and/or shareholders in connection with the SPA and the transactions contemplated therein as may be necessary;

- (iii) the Company being reasonably satisfied with the results of the legal, financial and tax due diligence to be carried out by the Company and/or its professional advisers on the Target (the “**Due Diligence Investigations**”);
 - (iv) the rectification, or the procurement of such rectification, as reasonably determined by and to the reasonable satisfaction of the Company by the Vendor of all issues and/or irregularities uncovered by the Company and/or its professional advisers during the Due Diligence Investigations on the Target which are capable of rectification, unless waived by the Company in its absolute discretion;
 - (v) all necessary consents, approvals and waivers (and in particular, with respect to change in control clauses) which are required for the transactions contemplated herein by any agreement, arrangement, understanding, contract or commitment to which the Target is a party having been obtained by the Target, and such consents, approvals and waivers not having been amended or revoked before the completion date, and if any such consents, approvals or waivers are subject to conditions, such conditions being acceptable to the Company in its absolute discretion and being fulfilled on or before the completion date;
 - (vi) the Company being satisfied in its absolute discretion that there has been no material adverse change, or events, acts or omissions likely to lead to a material adverse change, in the business, condition (financial or otherwise), assets, prospects, performance, financial position, results or operations of the Target between the date of this Agreement and the completion date;
 - (vii) there is no breach by the Vendor of the Vendor's representations, warranties, covenants and indemnities contained in this Agreement;
 - (viii) each of the representations, warranties and undertakings remaining true, not misleading, correct and accurate in any respects at completion, as if repeated on the completion date, and at all times between the date of the SPA and completion of the SPA;
 - (ix) all necessary third party, governmental and regulatory consents, approvals and waivers where required for the transactions contemplated in the SPA (including the waiver of any right of pre-emption or other restriction on the transfer of the Sale Shares conferred on any person under the constitution of the Target or otherwise, if necessary) having been obtained by the Vendor and/or the Target (as the case may be), and such consents, approvals and waivers not having been amended or revoked before completion date, and if any such consents, approvals or waivers are subject to conditions, such conditions being acceptable to the Company and being fulfilled on or before the completion date; and
 - (x) the renewal of the money lenders license regulated under the Money Lenders Ordinance in Hong Kong held by the Target which had expired on 18 August 2021.
- (b) if any of the conditions precedent are not fulfilled by any party on or before the long stop date, being 31 March 2022, and such non-fulfilment is not waived by the other party, the SPA shall *ipso facto* cease and determine. In that event, the parties shall be released and discharged from their respective obligations under the SPA, other than the provisions of the SPA which survive the termination of the SPA and no party shall have any claim against the other party for costs, damages, compensation or otherwise under the SPA, save for any claim by any party against the other party in respect of any antecedent breach of the SPA; and
- (c) the SPA shall be governed and construed in accordance with the laws of Singapore.

8. Principle terms of the Promissory Note

According to the SPA, the salient terms of the Promissory Note are as follows:

- (a) the Company promises and undertakes unconditionally to pay the principal amount of HK\$5.8 million (equivalent to approximately S\$1 million) (the “**Principal Amount**”) to the Vendor by the maturity date which falls on 30 September 2022.
- (b) The Company may at any time give the Vendor 14 business days’ notice in writing to redeem the Promissory Note at the Principal Amount (or any part thereof), and the date falling on the 14th business day after the date of receipt of the redemption notice shall be the “**Elected Redemption Date**”. All accrued interest up to the Elected Redemption Date shall be paid on the Elected Redemption Date. The Promisor shall deliver the payment of the Principal Amount (or any part thereof) to the Vendor by a cashier’s order or banker’s draft drawn on a bank licensed in Singapore or Hong Kong and made out in favour of the Vendor, or in such other manner as may be agreed in writing between the Company and the Vendor.
- (c) Interest shall accrue on the Principal Amount or any part thereof that remains outstanding from the date on which the Promissory Note is issued at the rate of 8% per annum, payable annually in arrears for as long as the Principal Amount or any part thereof remains outstanding.

9. The Proposed Acquisition as an Interested Person Transaction

Based on audited consolidated financial statements of the Group for the financial year ended 31 December 2020, the Group’s latest audited NTA is approximately S\$0.84 million.

The current total of all transactions (excluding transactions less than S\$100,000) with the Vendor and his associates (as defined under the Catalyst Rules) for the period from 1 January 2021 to the date of this announcement is set out in the table below.

Description	Before Completion of the Proposed Acquisition		After completion of the Proposed Acquisition	
	Amount	As a percentage of the Group’s latest audited NTA	Amount	As a percentage of the Group’s latest audited NTA
Proposed Acquisition of the Target	-	-	S\$1.08 million	129%
Total	-	-	S\$1.08 million	129%

Note:

As the value of the Proposed Acquisition as an “interested person transaction” under Chapter 9 of the Catalyst Rules is more than 5% of the Group’s latest audited NTA, the Proposed Acquisition is conditional upon approval by Shareholders in general meeting pursuant to Rule 906 1(a) of the Catalyst Rules.

10. Relative Figures under Rule 1006 of the Catalist Rules

The relative figures computed on the bases set out in Catalist Rule 1006 for the Proposed Acquisition are as follows:

Catalist Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. ⁽¹⁾	Not Applicable ⁽²⁾
Catalist Rule 1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. ⁽³⁾	(1.49)% ⁽⁴⁾
Catalist Rule 1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	9.62% ⁽⁵⁾
Catalist Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable
Catalist Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not Applicable ⁽⁶⁾

Notes:

- (1) "Net assets" means total assets less total liabilities.
- (2) The Proposed Acquisition is an acquisition of assets not a disposal of assets.
- (3) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (4) Based on the unaudited financial statements of the Target for the financial period ended 30 June 2021, the net profits attributable to the Sale Shares, representing 100% of the issued share capital of the Target, was approximately S\$18 thousand for the half year ended 30 June 2021 which represents approximately 1.49% of the Group's net loss of approximately S\$1.2 million as at 30 June 2021 on an absolute basis.
- (5) Based on the Consideration of HK\$5.8 million (equivalent to approximately S\$1 million) and the interest of S\$80,000 for the Promissory Note amounting to a total of S\$1.08 million which expressed as a percentage of the Company's market capitalisation of approximately S\$11.2 million on 24 September 2021, being the last full market day on which trades were done preceding the date of the SPA. The Company's market capitalisation was determined by multiplying the number of shares in issue (2,993,532,545 shares) by the weighted average price of such shares of S\$0.00375 transacted on 24 September 2021.
- (6) The Company is not a mineral, oil and gas company.

Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 of the Catalist Rules involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules.

Pursuant to Practice Note 10A paragraph 4.1 of the Catalist Rules, in some cases, tests based on assets under Rule 1006(a) of the Catalist Rules and profits under Rule 1006(b) of the Catalist Rules may involve a negative figure in the numerator, denominator or both, which may not give a meaningful

indication of the significance of a transaction to the issuer, in instance where, for example, the issuer is loss-making and/or an acquisition of a loss-making asset.

Pursuant to Practice Note 10A paragraph 4.4(b) of the Catalist Rules, immediate announcement is required for the acquisition of a profitable asset by a loss-making issuer, where the absolute relative figures computed on the basis of each of Rule 1006(c) and Rule 1006(d) does not exceed 75% and the net profit attributable to the asset to be acquired exceeds 5% of the consolidated net loss of the issuer (taking into account only the absolute value).

The Group was loss-making based on the unaudited consolidated financial statements of the Group for the financial year ended 30 June 2021 and the Target was profitable based on the audited financial statements of the Target for the financial year ended 31 December 2020.

It is noted that (a) the absolute relative figure computed on the basis of each of Rule 1006(c) and Rule 1006(d) does not exceed 75% and (b) the net profit attributable to the Sale Shares, representing 100% of the issued share capital of the Target, based on the audited financial statements of the Target for the financial year ended 31 December 2020 was approximately S\$27 thousand as at 31 December 2020 which represents approximately 2.29% of the Group's net loss of approximately S\$1.2 million as at 30 June 2021 (taking into account only the absolute value). As such, the Company is required to immediately announce the information required in Rule 1010, Rule 1011, Rule 1012 and Rule 1013 of the Catalist Rules in connection with the Proposed Acquisition pursuant to Practice Note 10A paragraph 4.4(b) of the Catalist Rules.

11. Financial Effects of the Proposed Acquisition

The financial effects of the Proposed Acquisition on the NTA per share and the earnings per share ("EPS") of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

For the purpose of illustrating the financial effects of the Proposed Acquisition, the financial effects have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects on the NTA per share of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2020;
- (b) the financial effects on the EPS of the Group are computed assuming that the Proposed Acquisition was completed on 1 January 2020; and
- (c) the costs and expenses incurred or to be incurred in connection with the Proposed Acquisition shall be disregarded.

Financial Effects on the NTA per Share of the Group

	Before Completion of the Proposed Acquisition	After Completion of the Proposed Acquisition
NTA as at 31 December 2020 (S\$'000)	836	836
Number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings	299,843,943	299,843,943
NTA per Share (Singapore cents)	0.28	0.28

Financial Effects on the EPS of the Group

	Before Completion of the Proposed Acquisition	After Completion of the Proposed Acquisition
Net (Loss) for the financial year ended 31 December 2020 (S\$'000)	(4,124)	(4,097)
Weighted average number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings	299,843,943	299,843,943
EPS (Singapore cents)	(1.38)	(1.37)

The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group. No representation is made as to the actual future results and/or financial position of the Company and/or the Group.

12. Independent Financial Adviser

The members of the Audit Committee are considered independent for the purposes of the Proposed Acquisition. The Company has appointed W Capital Markets Pte. Ltd. (“**IFA**”), as the independent financial adviser to advise the Audit Committee in connection with the Proposed Acquisition and to opine on whether the Proposed Acquisition is on normal commercial terms and whether the Proposed Acquisition is prejudicial to the interests of the Company and its minority shareholders.

13. Audit Committee Statement

The Audit Committee will obtain an opinion from the IFA before forming its view on the Proposed Acquisition.

A circular containing the opinion of the independent financial adviser and the opinion of the Audit Committee on whether the Proposed Acquisition is on normal commercial terms and whether the Proposed Acquisition is prejudicial to the interests of the Company and its minority shareholders will be sent to Shareholders in due course.

14. Source of Funds for the Proposed Acquisition

The Proposed Acquisition shall be funded through fund-raising in the capital markets. The Company will update Shareholders as and when the terms of the fund-raising activities materialise.

15. Interests of Directors and Controlling Shareholders

Save for Mr Heilesen and as disclosed in this announcement, none of the directors and controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their shareholdings in the Company, if any.

16. Directors' Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition and no service contracts in relation thereto is proposed to be entered into by the Company.

17. Directors' Responsibility Statement

The directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

18. Documents Available for Inspection

A copy of the SPA and the Valuation Report may be inspected at the registered office of the Company located at 280 Woodlands Industrial Park E5, #10-50 Harvest @ Woodlands Singapore 757322 during normal business hours for three months from the date of this announcement and once it is available (as the case may be).

19. Cautionary Statement

Shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board Incredible Holdings Ltd.

Christian Kwok-Leun Yau Heilesen
Executive Director

27 September 2021

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

The contact person for the Sponsor is Ms Vera Leong, Vice President, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (+65) 6415 9881.