

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

QUERIES FROM THE EXCHANGE IN RELATION THE UNAUDITED FY2021 RESULTS

The Board of Directors of Incredible Holdings Ltd. (the “Company” and together with its subsidiaries the “Group”) refer to its earlier announcement 28 February 2022 titled “FULL YEARLY RESULTS” (the “Earlier Announcement”).

The Company has on 7 March 2022 received queries from the Singapore Exchange Securities Trading Limited (the “Exchange”) in relation to the unaudited FY2021 results and the responses are provided below.

1. The Group recorded S\$5.5m of trade receivables as at 31 December 2021, accounting for approximately 43.1% of the Group’s total current assets. Please disclose:

(i) A breakdown of the Group’s trade receivables;

Company’s Response:

Please see below breakdown of the Group’s trade receivables:

	Amount (S\$’000)
Corporate customers for watch business	5,481
Corporate customers for distribution business	73
Total	5,554

There are no credit terms being offered to the Group’s retail customers.

(ii) Aging of the Group’s trade receivables;

Company’s Response:

Please see below aging of the Group’s trade receivables:

	Total (S\$’000)	Current (S\$’000)	1 – 30 (S\$’000)	31 – 60 (S\$’000)	61 – 90 (S\$’000)	Over 90 (S\$’000)
Corporate customers for watch business	5,481	3,465	400	666	497	453
Corporate customers for distribution business	73	35	22	11	4	*
Total	5,554	3,500	423	677	501	453

* amounted to S\$310

(iii) What were the actions taken to recover the Group’s trade receivables; and

Company’s Response:

The Group’s trade receivables are from long-term customers. The Group has a good relationship with these customers and has regular communication with them regarding the outstanding balances.

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(iv) The Board's assessment of the recoverability of the trade receivables.

Company's Response:

The Board is of the view that there is no difficulty regarding the recoverability of the trade receivables as we have a strong relationship with the Group's trade debtor. The management also assesses trade receivables with long outstanding records annually to see if the credit terms needs to be revised.

2. As at 31 December 2021, the Group recorded S\$3.5m of other payables and accruals, accounting for approximately 80% of the Group's total current liabilities. Based on the breakdown in notes to accounts (note 15), it is disclosed that other payables and accruals comprise mainly (a) Accrued operating expenses of S\$1.5m; (b) Accrued remuneration for directors and former directors of S\$1.4m. Please disclose:

(i) How long are the payables outstanding for? What is the period for which they were incurred in relation to? The reasons why are they not paid yet?;

Company's Response:

The accrued operating expenses of S\$1.5 million incurred in FY2021 which are currently still outstanding for the Group are indicated in the table in response 2(ii). The Company maintains its own repayment schedule to settle the payables in order to maintain sufficient working capital for the operations of the Group.

(ii) Details regarding the Group's accrued operating expenses;

Company's Response:

Please see below the Group's accrued operating expenses:

	Amount (S\$'000)
Salaries/wages for staffs' in December 2021	164
Audit fee for FY2021	110
Professional fees for corporate exercises and consultancy fee in FY2021	350
Rent for January 2021 to June 2021	91
Renovation in December 2021	107
Outstanding consideration for the purchase of subsidiary in Denmark since July 2021	617
Operating expenses	70
Total	1,509

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- (iii) **Details regarding the Group's accrued remuneration for directors and former directors of the company, including the period these accrued remuneration relate to; and**

Company's Response:

Please see below the Group's accrued remuneration for directors and former directors of the company:

	Amount (S\$'000)
Directors' fee for FY2011 (former directors)	1
Directors' fee for FY2012 (former directors)	5
Directors' fee for FY2014 (former directors)	25
Directors' fee for FY2017 (former directors)	79
Directors' fee for FY2019	50
Directors' fee for FY2020	93
Directors' fee for FY2021	123
Director remuneration for FY2021	1,000
Total	1,376

- (iv) **The reasons why the accrued operating expenses and accrued remuneration for directors and former directors are not paid yet.**

Company's Response:

As stated in response 2(i), the Company maintains its own repayment schedule to settle the payables in order to maintain sufficient working capital for the operations of the Group.

By Order of Incredible Holdings Ltd.

Christian Kwok-Leun Yau Heilesen
Executive Director
9 March 2022

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

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