

Incredible

Incredible Holdings Ltd.

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

Update Relating to an Investigation on an Associate

The Board of Directors (the “**Board**”) of Incredible Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to update shareholders that the Company has been informed by CKLY Trading Limited (“**CTL**”), an indirect associate of the Company, that there was an investigation by the Hong Kong Customs and Excise Department (“**C&E**”) on 31 August 2022 at CTL’s business premises at 3/F-4/F, Fontaine Building, No. 18 Mody Road Tsim Sha Tsui Hong Kong.

On 31 August 2022, several Customs and Excise Officers (“**C&E Officers**” or “**C&E**”) entered into CTL’s business premises to investigate alleged offences in relation to the Trade Description Ordinance (the “**Investigation**”).

During the Investigation, the C&E Officers seized approximately 500 watches (the process of verifying the same is ongoing at the moment) which amounts to a book value of approximately S\$30,000. Mr Christian Kwok-Leun Yau Heilesen (“**Mr Heilesen**”), the Executive Director of the Company (and a director of CTL) and a sales staff of CTL had to attend at the headquarters of C&E at the instruction of C&E to assist with the Investigation.

Mr Heilesen and the sales staff were subsequently released on bail by the police on the instructions of C&E at HK\$20,000 and HK\$10,000, respectively, and the bails were fully paid. Mr Heilesen and the sales staff’s passports were not impounded by the authorities and there were no travel restrictions imposed on them.

Mr Heilesen, as a Director of CTL, immediately informed the Board, including the Nominating Committee, of the Investigation via an email dated 1 September 2022.

The Board (excluding Mr Heilesen) wishes to inform shareholders that as at the date of this announcement, the Investigation is not expected to have a material impact on the operations and financials of the Group at this juncture, and that there are no charges laid against CTL, Mr Heilesen and the sales staff. As the investigations are ongoing, the Company will provide material updates to shareholders as and when available provided it is permissible under the laws of Hong Kong.

The Board (excluding Mr Heilesen) took into consideration the following factors in determining that the Investigation is not material:

- (a) the Investigation is not material on the affairs of the Company as it concerns watches which amount to a book value of approximately S\$30,000;
- (b) the Company is not reliant on Mr Heilesen for the proper oversight and management of the Company;
- (c) the Investigation does not affect Mr Heilesen’s ability to oversee or manage the Company; and
- (d) the Investigation would not affect the information previously provided by Mr Heilesen in accordance with Rule 704(6)(a).

The Board (excluding Mr Heilesen) wishes to highlight that:

- (a) Mr Heilesen was not served with an order for the production of documents to assist in an investigation in relation to a breach of law;
- (b) Mr Heilesen has only been asked to assist with the Investigation on 31 August 2022;
- (c) Mr Heilesen was not required to and did not surrender his passport, was not formally charged and no conditions or restrictions were imposed on him while he is on bail save that Mr Heilesen would have to report to the police officers 3 months later; and
- (d) The Investigations are ongoing and Mr Heilesen was not convicted or disqualified and is not the subject of any judgement or ruling.

As the Investigations are ongoing, Mr Heilesen has also informed that he will continue to provide updates to the Board on material developments relating to the Investigation, including the conclusion of Investigation, so long as they are not prohibited from doing so by the legal and regulatory requirements.

There are no private sanctions made by C&E and the Investigation is ongoing.

CTL has written to the Board to confirm that CTL has taken important steps to conduct rigorous and detailed due diligence reviews on the sources of its purchases before undertaking the purchases of the watches which were seized. It is and was at all material times CTL's clear and firm belief that the watches seized are real and genuine, and nothing in the circumstances aroused suspicions and/or placed CTL on notice that the watches were not genuine. It is CTL's firm stance that they have done nothing improper or illegal, let alone criminal, in the course of CTL's business in relation to the watches seized. Both Mr Heilesen and the sales staff will contest all allegations made against them vigorously.

The Board has conducted an independent assessment of the matter and did not rely solely on the representations made by Mr Heilesen.

The Board will update shareholders as and when there are any material updates available in relation to the above matter provided it is permissible under the laws of Hong Kong.

Mr Heilesen has undertaken to inform the Board of the ongoing investigation and subsequent developments.

The Board will continue to monitor the progress of the Investigation and the Nominating Committee will continue to re-assess the suitability of the continued appointment of Mr Heilesen as and when there are material developments to the investigation. The Board is not aware of any matters that will impact his character and integrity.

For the above reasons, as the Investigation is ongoing and no charges have been filed against Mr Heilesen, the Nominating Committee is of the view that Mr Heilesen remains competent, and it would be in the best interests of the Group that he should continue to discharge his responsibilities and duties in the operation of the Group's businesses with his current appointment and no measures to safeguard against risks associated with the retention of Mr Heilesen are considered necessary. The Board is also of the view that Mr Heilesen possesses the character and integrity to perform the role as the Executive Director of the Company.

Cautionary Statement

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 of Directors of
Incredible Holdings Ltd.

Leung Kwok Kuen Jacob
Independent Non-Executive Chairman and Independent Director

5 September 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.

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.