

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

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**QUERIES FROM THE EXCHANGE IN RELATION TO THE PROPOSED ACQUISITION GADMOBE GROUP**

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The Board of Directors of Incredible Holdings Ltd. (the “Company” and together with its subsidiaries the “Group”) refer to its earlier announcement 27 October 2021 titled “THE PROPOSED ACQUISITION OF GADMOBE GROUP - ENTRY INTO SALE AND PURCHASE AGREEMENT” (the “Earlier Announcement”).

Unless otherwise defined, the capitalized words and phrases used herein shall have the same meanings as ascribed to them in the Earlier Announcement.

The Company has on 29 October 2021 received queries from the Singapore Exchange Securities Trading Limited (the “Exchange”) in relation to the Proposed Acquisition and the responses are provided below.

- 1. The Company is acquiring 15% of the Gadmobee Group. The Gadmobee Group holds 100% of Sasha Lab Limited, Gadmobee Interactive Limited, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), COD Centre Pte. Ltd. and Bass of Hala OÜ. Who are the rest of the shareholders of the Gadmobee Group? After the Proposed Acquisition by the Company, is the Vendor going to further dispose of any other stakes in the Gadmobee Group? If so, are these parties related to the Company in any way?**

Company’s Response:

As of the date of this announcement, the Gadmobee Group is wholly owned by the Vendor. As disclosed in the announcement under “Disclosures by the Vendor” of the Earlier Announcement, The Vendor had on 11 October 2021 entered into a share purchase agreement with Ntegrator International Ltd. in relation to, inter alia, the acquisition of 85 shares in the Target, representing 85% of the issued share capital of the Target, through Cyber Sail Global Limited, a wholly-owned subsidiary of Ntegrator International Ltd.

The Company is not privy to plans on or for Ntegrator and therefore unable to comment on this matter.

- 2. For how long has each of the Target Group Company been in operation? When were each of them incorporated?**

Company’s Response:

As disclosed in the announcement under “Information on Gadmobee Group” of the Earlier Announcement:

- (a) Sasha Lab Limited

Sasha Lab Limited is a private limited company incorporated in Hong Kong on 8 October 2015 and has an issued share capital of HK\$10,000 comprising 10,000 shares as at the date of this announcement.

Sasha Lab Limited engages in online payment services via partnership with mobile network operators, primarily in Southeast Asia region. The company provides online payment solution to customers who do not have access to credit cards. Sasha Lab Limited operates across 90 digital payment gateways and reaches up to 190 markets worldwide.

- (b) Gadmobee Interactive Limited

Gadmobee Interactive Limited is a private limited company incorporated in Hong Kong on 17 October 2012 and has an issued share capital of HK\$10,000 comprising 1,000,000 shares as at the date of this announcement. Gadmobee Interactive Limited has a wholly owned subsidiary, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), which is a private limited company incorporated in People’s Republic of China on 23 September 2015 and which has an issued share capital of RMB100,000 comprising 100,000 shares as at the date of this announcement.

Gadmobee Interactive Limited is one of the new entrants in the digital advertising industry which hopes to disrupt the digital advertising industry with its data-driven technologies. Gadmobee Interactive Limited’s partners are able to leverage on its robust and versatile solutions to maximise customer engagement and advertising revenue.

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廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd) is principally in the business of providing research and development for all of Gadmobе Group’ s projects in the areas of digital advertising exchanges, online payment solutions, mobile content management systems ( “CMS” ), e-commerce enterprise resource planning ( “ERP” ) systems and many others. 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd) has access to a large pool of cost-efficient personnel with advanced computing skills and e-commerce experience.

(c) COD Centre Pte. Ltd.

COD Centre Pte. Ltd. is a private limited company incorporated in Singapore on 4 December 2019 and has an issued share capital of S\$1,000 comprising 1,000 shares as at the date of this announcement.

COD Centre Pte. Ltd. is an e-commerce company based in Singapore that utilises its turnkey platform to provide fulfilment solutions to merchants in Southeast Asia and worldwide. COD Centre Pte. Ltd. uses big data technologies to optimise merchants’ e-commerce businesses thus allowing merchants to reduce delivery costs within minimal downtime. COD Centre Pte. Ltd. principal activity is value added logistics providers with development of e-commerce applications. The company provides a way for users who do not have a credit or debit card to order products online or until the customer receives and pays.

(d) Bass of Hala OÜ

Bass of Hala OÜ is a private limited company incorporated in Estonia on 26 December 2017 and has an issued share capital of €2,500 comprising one share as at the date of this announcement.

Bass of Hala OÜ is a fast-growing digital content company based in Estonia which does digital content distribution in the European market. Bass of Hala OÜ has a high digital content library comprising mobile games, short videos, mobile applications and ebooks which are accessible cross-platform (phones, tablets and desktops) at any time and any place.

**3. The Company provided the pro forma combined FS of the Gadmobе Group for the 6 months ended 30 June 2021.**

**(a) Why is the proforma FS prepared only for 6 months period?**

Company’s Response:

For calculation of Catalist Rules 1006 relative figures.

**(b) Are there audited FS available for each of the Target Group Company? Please provide the past 3 years audited FS net income, book value and NTA value of each of the Target Group Company.**

Company’s Response:

The audited financial statements of the Target Companies are available except for that of COD Centre Pte Ltd as its audit is currently in progress and its audited financial statements from incorporation till financial year ended 30 November 2020 will be available in mid of November 2021.

(a) Sasha Lab Limited (Year ended 31 March)

	FY2019	FY2020	FY2021
Net income (HK\$’000)	(318)	(261)	(175)
Book value (HK\$’000)	(655)	(915)	(1,091)
NTA (HK\$’000)	(655)	(915)	(1,091)

(b) Gadmobе Interactive Limited (Year ended 31 March)

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	FY2019	FY2020	FY2021
Net income (HK\$'000)	478	962	1,162
Book value (HK\$'000)	3,088	4,051	5,212
NTA (HK\$'000)	3.088	4.051	5,212

(c) 廣州悠綠游信息技術有限公司 (Year ended 31 December)

	FY2018	FY2019	FY2020
Net income (RMB'000)	1,890	(3,316)	589
Book value (RMB'000)	(333)	(4,581)	(3,992)
NTA (RMB'000)	(333)	(4,581)	(3,992)

(d) Bass of Hala OÜ (Year ended 31 December)

	FY2018	FY2019	FY2020
Net income (EUR'000)	121	30	(236)
Book value (EUR'000)	124	154	(82)
NTA (EUR'000)	124	154	(82)

**4. How did the Company get introduced to the Gadmobе Group or the Vendor? Are there any introducer fees involved in the Proposed Acquisition?**

Company's Response:

As part of the Group's efforts to source for new businesses to acquire to provide new revenue streams in the event that any of the Group's existing business are impacted by COVID-19 or otherwise as part of the Group's corporate strategy to have diversified returns and the potential for long-term growth, the Group learned of Mr Tam Ki Ying through an online advertisement on the internet. Mr Tam Ki Ying has more than 15 years of experience in internet payment systems, e-commerce, digital content and advertising.

There is no introducer fees involved in the Proposed Acquisition.

**5. The Independent Valuer is of the opinion that the market value of the Gadmobе Group, as at 30 June 2021, was HK\$80,750,000 (approx. S\$14.1 million), including amount due from the Vendor pursuant to the loans made by the Target Group Companies to the Vendor. The Independent Valuer has adopted the income approach as the primary valuation method in the valuation. Please provide the key assumptions in the Valuation Report, in particular, disclose the projected income/revenue/net profits included in the next 5 years as provided in the Valuation Report.**

Company's Response:

Please see below the key assumptions in the Valuation Report:

- 1) During the projection period, the revenue is expected to increase from HKD 12.0 million in FY2022 to HKD 19.9 million in FY2025, representing a compound annual growth rate ("CAGR") of 18.31% per annum. Based on the financial records of Gadmobе Group, the historical revenue from FY2017 to FY2020 ranged from HKD 12.9 million to HKD 21.3 million, with an average of HKD 18.0 million.

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- 2) The gross margin is expected to remain stable at 59.8% from FY2022 to FY2025. Such gross margin is consistent with the margin recorded in FY2021, and as Gadmobe Group would focus on existing business, the gross margin is not expected to change significantly in the projection period.
- 3) The selling, general and administrative (“SG&A”) expenses is expected to increase from HKD 4.1 million in FY2022 to HKD 4.5 million in FY2025, representing a CAGR of 3% per annum. As Gadmobe Group focuses on online services, the SG&A is relatively stable comparing to the growth of revenue and cost of sales.
- 4) The forecast period is from 1 April 2021 to 31 March 2025. Subsequently, the valuer has further constructed the financial forecast into the end of FY2031 (i.e., 31 March 2031), before entering the perpetual growth period beginning in FY2031. Gadmobe Group is expected to stabilize its business scale in 10 years, and starting from FY2032 the management will maintain the business scale and the business growth will be relatively stable in long term.
- 5) During FY2026 to FY2031, the Gadmobe Group is projected to enter a transition stage where the growth gradually decreases to converge with the perpetual growth rate. In FY2026 the growth is expected to be 15%, from FY2027 to FY2029 the growth is expected to be 10% and from FY2030 to FY2031 the growth is expected to be 5%.
- 6) The valuer adopted the weight average cost of capital (the “WACC”) as the benchmark discount rate of the Gadmobe Group. WACC comprises two components: cost of equity and cost of debt. Cost of equity was developed using Capital Asset Pricing Model (the “CAPM”). The CAPM states that an investor requires excess returns to compensate systematic risks and an efficient market provides no excess return for other risks. Cost of debt was developed with reference to the benchmark borrowing rate. The adopted WACC is 11.1% used in the valuation report.

The Valuation Report is available for inspection at the Company’s registered address for three months from the date of this announcement.

- 6. Ntegrator acquired 85% of the Gadmobe Group and appointed the same Valuer. Please confirm if each of Incredibles and Ntegrator appointed the Valuer separately or it’s the same valuation exercise and report prepared by the Valuer which was used by both Incredibles and Ntegrator.**

Company’s Response:

The Company commissioned CHFT Advisory and Appraisal Ltd. for the valuation report. Based on the announcement released by Ntegrator International Ltd. on SGXNet 12 October 2021, Ntegrator International Ltd. commissioned the same Independent Valuer for the acquisition of the Gadmobe Group.

- 7. Please provide the credentials and experience of the Independent Valuer, CHFT Advisory and Appraisal Ltd.. Please disclose the Board’s and the Sponsor’s assessment of their suitability.**

Company’s Response:

The valuer, CHFT Advisory and Appraisal Limited (“CHFT”), a licensed firm under Royal Institution of Chartered Surveyors (“RICS”) which provides solutions in real estate consultancy, business and market research consultancy, property and business valuation and environmental, social and governance (“ESG”) / sustainability advisory services.

Please see the list of business valuations conducted by CHFT:

- 1) Valuation of 100% equity interest of 浙江新雲聯數字科技有限公司 in June 2020;
- 2) Valuation of 100% equity interest of CBG Fintech Holdings Limited in August 2020;
- 3) Valuation of 100% equity interest of Ordos Blockchain Cloud Computing Technology Co., Ltd in August 2020; and

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4) Valuation of 80% equity interest of Cedar Technology Group Co., Ltd in June 2021.

The Board is of the view that the Valuer is suitable as the Valuer is a professional with certificate of professional authority, their relevant experience with studies and research of the Target Group industry.

While the Sponsor was not involved in the selection of the engagement of the valuer, the Sponsor assessed the suitability of the Valuer taking into account four criteria including qualifications, relevant experience and track record, their independence and availability of adequate resources. The Partner in-charge, Mr Ross Wang Xinhao (“Mr Ross Wang”) is a registered member of the Chartered Financial Analyst Institute. Both CHFT and Mr Ross Wang have a track record of doing similar deals in the last three years. the Sponsor had conducted independent checks via Dow Jones and Google searches which did not indicate any adverse news on CHFT and Mr Ross Wang. From their declarations in the checklist, there were no conflicts of interests indicated, as well as no past nor pending regulatory breaches for both CHFT and Mr Ross Wang. Its team comprises of around twenty people including Mr Ross Wang. the Sponsor is of the view that the resources are adequate. In view of the aforesaid reasons, the Sponsor considers CHFT to be suitable.

**8. Please explain if the Company has the mandate to expand into payments / big data technologies industries?**

Company’s Response:

The Board is looking to seek shareholders’ approval for this business diversification. The Company will not complete the Proposed Acquisition before the shareholders’ approval for the diversification.

**9. The Consideration for Proposed Acquisition is HK\$18.0 million (approx. S\$3.1 million) while the Valuation of 15% of Gadmobe Group is S\$2.11 million, i.e. Consideration is at a 46% premium to the Valuation. The book value and NTA of the Sale Shares is at negative HK\$0.6 million (approx negative S\$0.1 million). Why is the AC comfortable and satisfied that the Consideration is a fair and equitable for the Proposed Acquisition?**

Company’s Response:

As disclosed in the announcement under “Rationale for Premium over the Valuation” of the Earlier Announcement:

The Independent Valuer was commissioned to conduct an independent valuation on market value of the 100% equity interest of Gadmobe Group. The market value of the 100% equity interest of Gadmobe Group indicated in the Valuation Report does not take into account benefits to the Group arising from the Proposed Acquisition. Other reasons for the premium over the valuation include but is not limited to the following:

(a) The Group may leverage on Gadmobe Group’s proprietary systems to aid in the Group’s daily operations and business intelligence as well as the Group’s expansion into the e-commerce business.

(b) Gadmobe Group has a team of 30 employees with years of experience in advertising, payment, logistics, sourcing and programming which are essential in a global e-commerce business.

(c) Gadmobe Group has a large network of suppliers, customers, marketers, payment gateways and logistics networks, and long business relationships with such suppliers, customers, marketers, payment gateways and logistics networks.

(d) Gadmobe Group may leverage on the Group’s financial resources and capabilities to rapidly expand its e-commerce business globally, including an expansion of its setup as well as an expansion of its existing e-commerce website and fashion brand.

(e) The Proposed Acquisition makes sense economically – there are time and cost savings for the Group to acquire Gadmobe Group which has a profitable track record and use its financial resources and capabilities to rapidly expand Gadmobe Group’s e-commerce business.

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(f) Building a fresh e-commerce business with no track record will take time and management resources from the Group, and there are significant costs and risks for the Group to build fresh e-commerce business itself. Furthermore, there is no certainty that the Group will be able to achieve a good or profitable outcome. The Proposed Acquisition will shortcut the road to profitability of the Group's e-commerce business while enabling the Group to leverage on Gadmobe Group's existing setup, human resources, skills and capabilities.

(g) The Consideration shall be paid to the Vendor by way of Promissory Notes. Accordingly, the Consideration does not need to be satisfied immediately out of the Group's existing capital and cash resources and enables the Company to enter into the Share Purchase Agreement without straining the cash-flow of the Group in the short term.

(h) The Proposed Acquisition enables the Group to leverage on Gadmobe Group's existing China office and setup to enter the China market as well as the significant human resources which Gadmobe Group has in its China office to source for products for the Group's future e-commerce business which has time and cost efficiencies given the close proximity to major suppliers of such products.

The Board is of the view that the Proposed Acquisition will provide the Group with new revenue streams and improve its prospects, and is part of the Group's corporate strategy to have diversified returns and the potential for long-term growth.

**10. In the Company's response to SGX RegCo's queries released on 22 Oct 2021, in qn 6(a), the Company disclosed the list of transactions with Mr Heilesen and his associates for period from 1 Jan 2021. Please disclose a full list of all such transactions from the date Mr Heilesen became controlling shareholder of the Company.**

Company's Response:

The current total of all transactions (excluding transactions less than S\$100,000) with Mr Heilesen and his associates (as defined under the Catalist Rules) for the period from 6 December 2016 to the date of this announcement is set out in the table below.

<b>Description</b>	<b>Date of announcement</b>	<b>Net asset value</b>	<b>Consideration</b>
Proposed Acquisition of Billion Credit Financial Company Limited	27 September 2021	(S\$0.4 million)	S\$1.08 million
Proposed Acquisition of Golden Ultra Limited	18 October 2021	S\$0.8 million	S\$14.6 million

**11. We note that there are common acquisition targets and common board members (4 of 5 are common) between Incredible Holdings Ltd and Ntegrator International Ltd.. Please disclose the reasons and rationale for Mr Heilesen, Ntegrator and Incredible in acquiring common targets and having common board members, and whether such acquisitions are negotiated together as a whole package. If it is not, please provide the respective timelines for the negotiation on each of the acquisition targets.**

Company's Response:

The Company wishes to highlight that:

- (a) the Proposed Acquisition has been approved by the Board of Directors of the Company;
- (b) the Company has ensured that the Proposed Acquisition is undertaken in compliance with the relevant Catalist Rules; and

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- (c) as disclosed in the Earlier Announcement, the Proposed Acquisition is part of the Group's corporate strategy with a view to have diversified returns and the potential for long-term growth. The Board believes that the Proposed Acquisition will provide the Group with new revenue streams and improve its prospects, and in turn, enhance shareholder's value. In particular, the Board believes that the e-commerce business (which the Target Group is operating in) will:
- i. complement the Group's existing businesses by (i) expanding the Group's core businesses into new markets utilising the Target Group's payment footprint; (ii) optimising the Group's core businesses utilising the Target Group's big data technologies; and (iii) expanding the Group's client portfolio leveraging on the Target Group's advertising and e-commerce channels; and
  - ii. provide the Group with an additional revenue stream to offset the Group's operating expenses in the event that any of the Group's existing business are impacted by COVID-19 or otherwise.

As disclosed in the Earlier Announcement, the Proposed Acquisition is an acquisition directly from the Vendor, Mr Tam Ki Ying, who is an independent third party and is not related to any of the directors or substantial shareholders of the Company. The Proposed Acquisition by the Company and Mr Tam Ki Ying's decision to sell his shares in the Target to the Company and Ntegrator International Ltd., respectively, are two separate transactions which were negotiated separately and were not negotiated as a whole package.

Please find the timeline of the Proposed Acquisition by the Company below:

<b>Date</b>	<b>Incredible Holdings Ltd.</b>
24 October 2021	Ongoing discussions with Vendor to sell 15% of the issued share capital of the Target to the Company
25 October 2021 to 26 October 2021	Finalising the deal details, and announcement with Mr Tam Ki Ying, legal advisers and the Sponsor.
27 October 2021	Board approval of the Proposed Acquisition
27 October 2021	Signing of the Share Purchase Agreement and releasing announcement for the entry into the Share Purchase Agreement

The Company is not in the position to comment on the timeframe and board processes of Ntegrator International Ltd..

**12. Mr Heilesen is an ED of Ntegrator and Incredible. Ntegrator is also the 85% shareholder of the Gadmob Group. Please explain why the Proposed Acquisition is not an IPT.**

Company's Response:

The Proposed Acquisition is entered into between the Company and the Vendor who is an independent third party. As disclosed in the Earlier Announcement, the Vendor is not related to any of the directors or substantial shareholders of the Company. The Vendor is not an associate (as defined under the Catalist Rules) of Mr Heilesen and the Proposed Acquisition is not an interested person transaction (as defined under the Catalist Rules). As of the date of the announcement, Gadmob Group is wholly-owned by the Vendor and Ntegrator is NOT the 85% shareholder of the Gadmob Group. Therefore, the Proposed Acquisition is not an IPT.

**13. Please compile a list of acquisition targets which are common between both Incredible and Ntegrator between March 2018 and now, and indicate the respective stakes acquired by Incredibles and Ntegrator respectively.**

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**Given that the original owners of these acquisition targets have since been diluted to a non-controlling stake, how is Incredible's AC and Board comfortable about the continuing operations of the businesses?**

Company's Response:

**Acquisition of Golden Ultra Limited**

On 18 October 2021, the Company announced the entry into a share purchase agreement with Christian Kwok-Leun Yau Heilesen to acquire 420 ordinary shares in Golden Ultra Limited, representing 42.0% of the issued share capital of the Target (the "**18 October 2021 Announcement**").

According to SGXNet, Ntegrator has on 12 October 2021 entered into a share purchase agreement with Mr Christian Kwok-Leun Yau Heilesen in relation to, *inter alia*, the acquisition of 550 shares in the Golden Ultra Limited, representing 55% of the issued share capital of the Target, through the Nominee Company.

As disclosed in the 18 October 2021 Announcement:

1. the proposed acquisition of Golden Ultra Limited is a major transaction and an interested person transaction. The Special Committee will be obtaining an opinion from W Capital Markets Pte. Ltd., the independent financial adviser to opine on whether the proposed acquisition of Golden Ultra Limited is on normal commercial terms and whether the proposed acquisition is prejudicial to the interests of the Company and its minority shareholders; and
2. As at the date of this announcement, Golden Ultra Limited is owned by Mr Heilesen who is familiar with the business of trading of watches.

Accordingly, subject to the opinion from the independent financial adviser, given that the original owner of Golden Ultra Limited is Mr Heilesen with the relevant experience in the business of trading of watches, the AC and the Board (excluding Mr Heilesen) is comfortable about the continuing operations of Golden Ultra Limited.

**Acquisition of Gadmobe Group**

As disclosed in the Earlier Announcement, the Company announced the entry into a share purchase agreement with Mr Tam Ki Ying on 27 October 2021 in relation to the acquisition of 15 shares in the Gadmobe Group, representing 15% of the issued share capital of the Target.

According to SGXNet, Ntegrator has on 12 October 2021 entered into a share purchase agreement with Mr Tam Ki Ying in relation to, *inter alia*, the acquisition of 85 shares in the Target, representing 85% of the issued share capital of the Target, through the Nominee Company.

The operations of Gadmobe Group will be managed by Mr Tam Ki Ying who has the relevant expertise in providing value-added logistics services and developing e-commerce applications. Accordingly, the AC and Board is comfortable with the continuing operations of the Gadmobe Group.

By Order of Incredible Holdings Ltd.

Leung Kwok Kuen Jacob  
Independent Non-Executive Chairman and Independent Director  
2 November 2021

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*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.*