

RESPONSE TO QUESTIONS RECEIVED FROM A SHAREHOLDER IN RESPECT OF THE COMPANY'S EXTRAORDINARY GENERAL MEETING TO BE HELD ON 4 MAY 2022 ("EGM")

All capitalised terms used which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 11 April 2022 (the "Circular") in relation to the Proposed Issuance Of Perpetual Bonds, Perpetual Convertible Bonds And Issuance As An Interested Person Transaction, And The Transfer Of Controlling Interest In Connection With The Proposed Issuance And The Proposed Subscription By The Company Of The Ntegrator Perpetual Convertible Bonds And Ntegrator Warrants And The Proposed Subscription As An Interested Person Transaction .

The board of directors (the "**Board**") of Incredible Holdings Ltd. (the "**Company**") refers to:

- (a) the Circular to shareholders and the Notice of EGM issued by the Company on 11 April 2022; and
- (b) the virtual information session convened by the Company on 22 April 2022 at 11.00 a.m. ("**Virtual Information Session**"); and

The Company has received questions from shareholder after the deadline on 19 April 2022. The Board would like to provide the Company's response to the questions raised by a shareholder as set out below.

Question 1:

The conversion of these bonds and exercise of these warrants would massively dilute existing shareholders.

Besides the funds raised, what is the rationale for the issuance of these CB and warrants?

Have the Board and company considered the severely dilutive effects of these financial instruments to existing shareholders?

Company's response:

As announced in Section 2.5 of the Circular, the rationale for the Proposed Issuance is for the Company to participate in the business growth and upside of the new and existing businesses of the Subscriber. The Board believes that the Proposed Issuance will broaden and diversify the Group's revenue streams and customer base by further cooperation with the Subscriber to expand the new and existing business of the Company.

	Before the completion of the Proposed Transaction		Scenario A ⁽¹⁾		Scenario B ⁽²⁾		Scenario C ⁽³⁾	
	Number of Shares	% ⁽⁴⁾	Number of Shares	% ⁽⁵⁾	Number of Shares	% ⁽⁶⁾	Number of Shares	% ⁽⁷⁾
<u>Directors of Incredible</u>								
Christian Kwok-Leun Yau Heilesen^{(8), (9)}	1,770,461,781	59.14	1,770,461,781	50.32	1,770,461,781	41.4	1,770,461,781	39.18
<u>Substantial Shareholders of Incredible</u>								
Mission Well Limited	1,709,659,281	57.11	1,709,659,281	48.59	1,709,659,281	39.98	1,709,659,281	37.84
Zhou Qilin	207,854,251	6.94	207,854,251	5.91	207,854,251	4.86	207,854,251	4.60
Ntegrator International Limited	-	-	525,000,000	14.92	1,282,942,519	30.0	1,525,000,000	33.75

	Before the completion of the Proposed Transaction		Scenario A ⁽¹⁾		Scenario B ⁽²⁾		Scenario C ⁽³⁾	
	Number of Shares	% ⁽⁴⁾	Number of Shares	% ⁽⁵⁾	Number of Shares	% ⁽⁶⁾	Number of Shares	% ⁽⁷⁾
Other Shareholders	1,076,019,013	35.95	1,076,019,013	30.58	1,076,019,013	25.16	1,076,019,013	23.81
Total	2,993,532,545	100	3,518,532,545	100	4,276,475,064	100	4,518,532,545	100

Notes:

- (1) Assuming that the Proposed Issuance was completed and 525,000,000 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds.
- (2) Assuming that the Proposed Issuance was completed and 525,000,000 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds and 757,942,519 Exercised Shares were issued upon exercise of all of the Warrants.
- (3) Assuming that the Proposed Issuance was completed and 525,000,000 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds and 1,000,000,000 Exercised Shares were issued upon exercise of all of the Warrants.
- (4) Based on the existing total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 2,993,532,545 ordinary shares as at the date of this announcement.
- (5) Based on the enlarged total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 3,518,532,545 ordinary shares assuming Scenario A.
- (6) Based on the enlarged total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 4,276,475,064 ordinary shares assuming Scenario B.
- (7) Based on the enlarged total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 4,518,532,545 ordinary shares assuming Scenario C.
- (8) Mr Christian Kwok-Leun Yau Heilesen is deemed to have an interest in 1,709,659,281 ordinary shares in Incredible held by Mission Well Limited and is deemed to have an interest in 60,802,500 ordinary shares in Incredible held by Christian Kwok-Leun Yau Heilesen Family Trust through HSBC (Singapore) Nominees Pte Ltd.
- (9) The effective interest of Christian Kwok-Leun Yau Heilesen is based on Christian Kwok-Leun Yau Heilesen's deemed interest through Mission Well Limited's direct interest of 11.7% of the total share capital of Ntegrator amounting to 1.75%, 3.51% and 3.95% for Scenario A, B and C respectively.

As disclosed in Section 5.1 of the Circular, the existing minority shareholders of the Company's shareholding interest will decrease as shown in the table above and highlighted in bold.

As disclosed in Section 2.5 of the Circular, the rationale for the Proposed Issuance is for the Company to participate in the business growth and upside of the new and existing businesses of the Subscriber. The Board believes that the Proposed Issuance will broaden and diversify the Group's revenue streams and customer base by further cooperation with the Subscriber to expand the new and existing business of the Company.

As disclosed in Section 7 of the Circular the Board member, Ms Eunice Veon Koh Pei Lee (who is the only director who is not also on the board of Ntegrator) ("Ms Koh") is of the view that the benefit for the Proposed Transactions will outweigh the dilution effect on the minority shareholders' interest as the Company intends i) to participate in the business growth and upside of the new and existing businesses of Ntegrator; ii) subscribe for Ntegrator's shares with zero (0) net fund flow impact to the Company; and iii) bring value to all of the shareholders of the Company.

Question 2:

From Ntegrator announcement dated 21 May 2021: "The Relevant Shareholders have informed on 20 May 2021 at about 4.48pm that Ms. Eunice Veon Koh Pei Lee has withdrawn her consent to act as a Director of the Company. Accordingly, Ordinary Resolution 5 to approve the appointment of Ms. Eunice Veon as a director of the Company effective immediately upon conclusion of the EGM will be withdrawn and not tabled at the EGM to be held on 21 May 2021"

Interestingly, Ms Eunice Veon was once previously proposed to be appointed as a Director of Ntegrator.

Why did your circular not highlight the above fact, history and association between Ms. Eunice Veon Koh Pei Lee and Christian, Jacob, Stanley and Jia Lin?

Was the fact that Incredible needed at least one independent, non-interested director the reason why Ms Eunice Veon's nomination as director to Ntegrator was withdrawn?

Regardless, it can be taken that Ms Eunice Veon is "part of the group", which brings us to the question: Given the history of Ms Eunice Veon as a once-proposed director to the Board of Ntegrator & close association with Christian, Jacob, Stanley and Jia Lin, how can Ms Eunice Veon be reasonably considered as an independent party?

Given the history of Ms Eunice Veon as a once-proposed director to the Board of Ntegrator & close association with Christian, Jacob, Stanley and Jia Lin, how can Ms Eunice Veon be reasonably considered as a non-interested party?

Given the history of Ms Eunice Veon as a once-proposed director to the Board of Ntegrator & close association with Christian, Jacob, Stanley and Jia Lin, how fair-minded and objective would Ms Eunice Veon be in her assessment of the merits and demerits of this transaction?

Company's response:

As disclosed in Section 7 of the Circular, the members of the Audit Committee comprise Mr Leung Kwok Kuen Jacob, Mr Leung Yu Tung Stanley and Ms Zhou Jia Lin (who are considered not independent for the purposes of the Proposed Issuance and the Proposed Subscription). Accordingly, the Company has constituted the Special Committee comprising Ms Eunice Veon Koh Pei Lee ("Ms Eunice") to form a view on (a) the Proposed Issuance as an interested person transaction, and (b) the Proposed Subscription as an interested person transaction.

Ms Eunice's withdrawal of her consent to act as director of Ntegrator is not related to the Proposed Transactions.

Ms Eunice is an independent director of the Company who discharges her duties and responsibilities objectively at all times as a fiduciary, and exercises due diligence in dealing with the business affairs of the Company and is obliged to act in good faith in the interest of the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

As disclosed in Section 6 of the Circular, the Company appointed an IFA who is of the opinion that "on balance, the Proposed Transactions as interested person transactions are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders."

No further queries raised by shareholders at the Virtual Information Session

There were no shareholders who attended the Virtual Information Session. Accordingly, there were no further queries raised by shareholders.

**By Order of the Board
Incredible Holdings Ltd.**

Christian Kwok-Leun Yau Heilesen
Executive Director

29 April 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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