

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

QUERIES FROM THE EXCHANGE IN RELATION TO AN INVESTIGATION ON AN ASSOCIATE

The Board of Directors of Incredible Holdings Ltd. (the “Company” and together with its subsidiaries the “Group”) refer to its earlier announcement 5 September 2022 titled “UPDATE RELATING TO AN INVESTIGATION ON AN ASSOCIATE” (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 6 September 2022 received queries from the Singapore Exchange Securities Trading Limited (the “Exchange”) in relation to the Investigation and the responses are provided below.

1. Please provide more information on the alleged offences in relation to the Trade Description Ordinance. Why did the C&E Officers seize the watches? Are the matters under investigation in relation to the Group’s business/affairs?

Company’s Response:

The C&E Officers seized the watches due to an alleged breach of the Trade Description Ordinance. The seized watches are suspected to be fake in contravention to certain provisions in the Trade Description Ordinance. It is yet to be known which particular sections of the ordinance the C&E will use as they have not given CKLY Trading Limited (“CTL”) any indication. It remains CTL's firm belief there is no basis to the allegations, and that CTL will fight all these allegations vigorously.

The matters under investigation is solely in relation to the business of CTL which is an indirect associate of the Company and has no impact on the Group’s business/affairs.

2. The C&E Officers went to the business premises of CTL on 31 Aug 2022. Why was the trading halt only requested on 2 September 2022 (1:13pm)?

Company’s Response:

Mr Heilesen had consulted legal advice in Hong Kong regarding the facts of the case, and reported the investigation to the Board on the evening of the 1st of September, which was the earliest possible time following the legal consult. Subsequently, as Mr. Heilesen is one of the subject persons in relation to the matter, he has deliberately abstained in the decision making process pertaining to the matter. The Board has held the relevant meetings to discuss the matter and informed the Sponsor on 2 September 2022. Following the advice from the Sponsor, the Company subsequently called for a Trading Halt pending the release of the information.

3. C&E Officers seized approximately 500 watches (book value of approx. S\$30K) from CTL’s premises.

- Please clarify the business operations of CTL such as whether the watches are luxury brands, the watches are sold online or retail.

- Are the watches seized considered “luxury brands” to be sold by the Group? Are there other watches in CTL’s inventory, other than the 500 watches seized?

- What are the business / other dealings between CTL and the Company?

Company’s Response:

QUERIES FROM THE EXCHANGE IN RELATION TO AN INVESTIGATION ON AN ASSOCIATE

CTL carries, trades and retails over 100+ different brands from low end to high end brands. The watches are sold both online and retail. The seized watch brands are of the brand Michael Kors and Armani and are not considered luxury watches, but fashion watches. As announced, the watches seized are immaterial to CTL and the Company as a whole. CTL carries other watches in its inventory besides the two brands. CTL is the associate of the Company. There are no dealings between CTL and the Company besides being the associate of the Company.

4. It is stated in the announced that the Company is not reliant on Mr Heilesen for the proper oversight and management of the Company. Please explain who manages and oversees the Company, in particular the watch trading business segment.

Company's Response:

Mr Heilesen and the Chief Financial Officer ("CFO") manage and oversee the watch trading business segment. The Company is also reliant on the CFO and not solely on Mr Heilesen for the proper oversight and management of the Company.

5. 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.

- Why is Mr Heilesen required to report to the police officers 3 months later? Is this a standard procedure? Is this requirement imposed on the sales staff of CTL who was on bail as well?

- Please identify the sale staff of CTL.

Company's Response:

As disclosed, Mr Heilesen is on bail and as such he needs to answer bail at a certain time later and in this case it is prescribed to be 3 months from the day the bail was given. The timeframe is different from case to case. The same requirement was imposed on the sales staff of CTL who was on bail.

We are not allowed to disclose the identity of the sales staff due to the Personal Data (Privacy) Ordinance. It appears that disclosing her name in the announcement without her prior consent could be construed as an act of violating the "Data protection principles" of the Personal Data (Privacy) Ordinance.

6. It is stated in the announcement that "the Board has conducted an independent assessment of the matter and did not rely solely on the representations made by Mr Heilesen".

- Please elaborate on the independent assessment done by the Board, and the considerations (and basis) of the Board.

Company's Response:

Invoices and relevant supporting documents in relation to the purchase of the seized watches have been compiled for the Board to form their own opinion about the said matter.

The said documents have furthermore been provided for the legal team to prepare a case to get back the seized watches and to dismiss the investigation.

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

QUERIES FROM THE EXCHANGE IN RELATION TO AN INVESTIGATION ON AN ASSOCIATE

The Company would like to reiterate, 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.

7. We note a press release by the HK Customs and Excise Department, link as follows. Please confirm if the press release is in relation to CTL, and if so, please reconcile the discrepancies (in relation to value of the watches seized, as well as the fact that a director and staff were arrested) between the press release and the Company's announcement.

https://www.customs.gov.hk/en/publication_press/press/index_id_3553.html?force_isolation=true.

Company's Response:

The press release is in relation to CTL.

It has been announced that CTL is using the book value of S\$30,000 to quantify the cost of the watches, whereas C&E's press release disclosed "an estimated market value of about \$600,000". As such, the market value of the seized watches will be much higher than book value.

The Company has already disclosed in the announcement that both a director, Mr Christian Kwok-Leun Yau Heilesen and a sale staff of CTL were on bail and that according to legal advice from Hong Kong lawyers would be sufficient as only those who are arrested would be on bail.

By Order of Incredible Holdings Ltd.

Leung Kwok Kuen Jacob
Independent Non-Executive Chairman and Independent Director
7 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.