

QUERIES FROM EXCHANGE IN RELATION TO THE PROPOSED DISPOSAL BY INCREDIBLE HOLDINGS LTD., OF THE ENTIRE SHARE CAPITAL IN SWITECH SYSTEMS & MARKETING PTE LTD

The Board of Directors of Incredible Holdings Ltd. (the “**Company**” and together with its subsidiaries the “**Group**”) refer to its earlier announcement 23 December 2019 entitled “ENTRY INTO OF SHARE SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED DISPOSAL BY INCREDIBLE HOLDINGS LTD., OF THE ENTIRE SHARE CAPITAL IN SWITECH SYSTEMS & MARKETING PTE LTD” (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 Announcements.

The Company has on 14 January 2020 received below queries from SGX in relation to the Proposed Disposal:

1. How did the Purchaser get acquainted with the Company/Management/Board?
2. Without a valuation being conducted, how is the Board comfortable that the Consideration does not detriment the interests of the Company?
3. Despite the NTL position of S\$46k for HY2019, what assets, licenses, PPE does SW hold in its books?
4. How much was SW acquired for or how much did the Company invest into SW thus far?
5. What are the residual businesses of the Company?

Can the sponsor please respond to the following queries:

1. In the Sponsor’s views, given the recent disposals, are the residual businesses of the Company still viable?

Response to SGX Queries:

1. The purchaser is the founder and the existing director of SW.
2. The Board has noted the switchgear design and assembly business has become so competitive that resulted in SW making losses over the last five years. SW is currently in a net liabilities position which includes amount owing to the purchaser S\$28,248 and a former director S\$23,454 (these figures remain unchanged since half year result) and the Company will not be able to pay its statutory expenses, such as audit and secretary fees and the Company has to pay all these statutory expenses if it continues to hold onto the investment in SW. The Board believes it is in the interest of the Company to cease investing in SW as the Company does not wish to continue to inject cash into SW and would like to concentrate on the new proposed business, such as trading in luxury goods.
3. The main asset is a tube printer machine bought in the year of 2017 with a book value of approximately S\$500 and a photocopier machine bought in the year of 2013 with zero book value is no longer working. SW does not have licenses or any intangible assets.
4. The Company has invested S\$650,000 in the entire share capital of SW.
5. Currently, the Company has its core business focusing on distribution of equipment and consumable materials for the electronics industry in Singapore and trading of luxury goods in Hong Kong.

Sponsor’s Response

1. The Company derived its revenue mainly from its distribution of equipment and consumable materials for the electronics industry in Singapore and trading of luxury goods in Hong Kong. The distribution

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which is undertaken by Hi-Tech Distribution Pte Ltd and trading of luxury goods business undertaken by Vashion Group (HK) Holdings Limited, collectively, make up almost 99% of the Company's revenue for HY2019. Accordingly, Sponsor is of the view that the recent disposals does not have any significant impact on the company operations.

By Order of the Board

Christian Kwok-Leun Yau Heilesen
Executive Director
16 January 2020

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 document, including the correctness of any of the statements or opinions made or reports contained in this document.

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