

QUERIES FROM EXCHANGE IN RELATION TO THE PROPOSED DISPOSAL BY INCREDIBLE HOLDINGS LTD., OF 49% SHARE CAPITAL IN PT. LOUIS GIANNI

The Board of Directors of Incredible Holdings Ltd. (the “**Company**” and together with its subsidiaries the “**Group**”) refer to its earlier announcement on 9 January 2020 entitled “ENTRY INTO OF SHARE SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED DISPOSAL BY INCREDIBLE HOLDINGS LTD., OF 49% SHARE CAPITAL IN PT. LOUIS GIANNI” (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 10 January 2020 received below queries from SGX in relation to the Proposed Disposal.

1. Noted that the Company had in 13 Jun 2018 announced the proposed disposal of 51% in PTLG to Fulan Group for S\$1.364 million. The disposal was completed in 12 Dec 2018. Latest announcement on 9 Jan 2020 relates to the disposal of residual 49% in PTLG to Fulan Group for S\$1.1 million.

The total consideration for the disposal of PTLG would amount to S\$2.464 million. No valuation was conducted in relation with the Proposed Disposal as PTLG is dormant and its main asset is cash and bank balances. The Proposed Disposal is expected to result in a net loss of approximately S\$60k based on the PTLG’s net tangible assets as at 31 December 2019 of S\$2.6 million.

Given that the main assets of the entity is cash and bank balances, why did the Company agree to the total consideration of S\$2.464 million which would represents a loss on disposal and a discount of approximately 5.09% to the Company’s equity interest?

What is the latest value of cash and bank balances in PTLG?

2. Considering the two disposal transactions collectively, the Company has sold 100% of PTLG to Fulan Group. As such, in the spirit of Catalist Rule 1005, what would be the relative figures computed for the aggregated disposal of PTLG? Would shareholders’ approval be required for the disposal, and why?

Response to SGX Queries:

1. The Company agreed to dispose at a discount to NTA as there are ongoing expenses in PTLG as follows:
 - a. Rental: IDR489,855,406 or equivalent to S\$47,568 (using the exchange rate of 10,298 on 7 Jan 2020)
 - b. Commissioner fee: IDR105,000,000 or equivalent to S\$10,196 (using the exchange rate of 10,298 on 7 Jan 2020)

Accordingly, the consideration of S\$1.1 million was mutually agreed. This may result in a loss of disposal of approximately S\$60 thousand during the time of announcement of proposed disposal. However, once the disposal is completed, it may not result in a loss on disposal after taking into account the additional expenses to be incurred.

The latest bank and cash balances of PTLG is IDR25,863,306,818 or equivalent to approximately S\$2.5 million.

2. The aggregate 1006 calculation are as follows:
 - a. 1006(a): 50.57%
 - b. 1006(b): 2.48%
 - c. 1006(c): 59.17%
 - d. 1006(d): Not applicable
 - e. 1006(e): Not applicable

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However the Company would like to point out that the proposed disposal of 51% of PTLG was in June 2018 which was more than 12 months ago. The Company also informed the Sponsor that at that point when they proposed to dispose the first 51% of PTLG, they intend to maintain their presence in Indonesia as it is a largest economy in Southeast Asia and the Purchaser (i.e Fulan Group) had intentions to set up a garment factory via investing in PTLG in Indonesia, where the Company would like to participate in this business opportunity which has been announced on SGXNet on 13 June 2018. Accordingly, due to the rationale and the current direction of the Company of focusing on their trading of luxury goods business, the Sponsor viewed both transactions as independent and it is Sponsor's view that it does not require a shareholders' approval although both the 1006(a) and 1006(c) is greater than 50%.

By Order of the Board

Christian Kwok-Leun Yau Heilesen
Executive Director
15 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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