

INCREDIBLE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199906220H)

THE PROPOSED RIGHTS CUM WARRANTS ISSUE OF TEN (10) NEW SHARES IN THE CAPITAL OF THE COMPANY (“RIGHTS SHARES”) FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY THE SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, AND ONE (1) 2019 WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “PROPOSED RIGHTS CUM WARRANTS ISSUE”)

2ND RE-ALLOCATION OF USE OF PROCEEDS FROM THE PROPOSED RIGHTS CUM WARRANTS ISSUE

1. Introduction

The Board of Directors (“the **Board**” or the **Directors**”) of Incredible Holdings Ltd. (the **Company**) and together with its subsidiaries, the **Group**) refers to the following salient announcements:

- (a) the Company’s announcement dated 15 April 2019 in relation to, *inter alia*, the Proposed Share Consolidation, the Proposed Rights cum Warrants Issue and the Proposed Whitewash Resolution;
- (b) the Company’s circular to the shareholders of the Company dated 11 October 2019 in relation to, *inter alia*, the Proposed Share Consolidation, the Proposed Rights cum Warrants Issue and the Proposed Whitewash Resolution (the **“Circular”**);
- (c) the announcement dated 8 November 2019 in relation to the listing and quotation of, *inter alia*, the Rights Shares and 2019 Warrants;
- (d) the announcement dated 21 November 2019 in relation to, *inter alia*, Ordinary Resolution 1 in relation to the Proposed Share Consolidation which was carried by a majority vote in favour of Ordinary Resolution 1, Ordinary Resolution 2 in relation to the Proposed Rights cum Warrants Issue which was carried by a majority vote in favour of Ordinary Resolution 2 and Ordinary Resolution 3 in relation to the Proposed Whitewash Resolution which was carried by a majority vote in favour of Ordinary Resolution 3; and
- (e) the announcement dated 11 August 2020 in relation to the expiration of the Whitewash Waiver and the Council’s grant of the New Whitewash Waiver.

((a), (c), (d) and (e) above, collectively, the **“Previous Announcements”**).

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Circular and the Previous Announcements.

The Board wishes to announce that the Company will be seeking Shareholders’ approval at an EGM to be convened to (a) re-table the ordinary resolution in relation to the Proposed Rights cum Warrants Issue and a New Whitewash Resolution (as defined below).

2. Reasons for re-tabling the Proposed Rights cum Warrants Issue

The Board wishes to update shareholders that after the completion of the Share Consolidation on 2 December 2020, the Company was unable to complete the Proposed Rights cum Warrants Issue due to the sudden downturn in the economy in Hong Kong as a result of the prolonged political unrest and demonstrations since June 2019. As such, during the fourth quarter of the financial year ended 31 December 2019, the Company could not proceed with the Proposed Rights cum Warrants Issue as the

Group's subsidiaries in Hong Kong were making losses as a result of the prolonged political unrest and demonstrations for more than half a year in 2019.

The Company managed to obtain sufficient funds for expenses that is required to complete the Proposed Rights cum Warrants Issue through advances from its Executive Director, Christian Kwok-Leun Yau Heilesen ("**Mr Heilesen**"), only in late March 2020.

The details of the Proposed Rights cum Warrants Issue which the Company is intending to re-table are similar to that as set out in the Previous Announcements. Given that the number of shares in the Company has changed pursuant to the completion of the Share Consolidation which was completed on 2 December 2020, the Company reproduces below the details of the Proposed Right cum Warrants Issue taking into consideration the Share Consolidation.

The purpose of this announcement is to update shareholders of the following:

- (a) Details of the Proposed Rights cum Warrants Issue in relation to the consolidated number of shares held by the Concert Group and Ms Zhou in the Company as a result of the Share Consolidation completed on 2 December 2020 (Paragraphs 3, 6, 7 and 12 of this announcement);
- (b) Irrevocable Undertakings for the Proposed Rights cum Warrants Issue (Paragraph 12 of this announcement);
- (c) The independent financial adviser appointed for the Proposed Rights cum Warrants Issue (Paragraph 13 of this announcement);
- (d) The New Whitewash Waiver (Paragraph 14 of this announcement);
- (e) Shareholders' Loans and Offsetting Arrangements (Paragraph 15 of this announcement); and
- (f) 2nd Re-allocation of Use of Proceeds (Paragraph 17 of this announcement).

3. Details of the Proposed Rights cum Warrants Issue

The Company is proposing to issue an aggregate of up to 6,947,810,360 new ordinary shares in the capital of the Company comprising a renounceable non-underwritten rights cum warrants issue of up to 3,473,905,180 new ordinary shares in the capital of the Company ("**Rights Shares**") at an issue price of S\$0.0056 for each Rights Share (the "**Issue Price**"), with up to 3,473,905,180 free detachable warrants ("**2019 Warrants**"), each 2019 Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**New Share**") at an exercise price of S\$0.012 for each New Share (the "**Exercise Price**"), on the basis of ten (10) Rights Shares for every one (1) existing ordinary share in the capital of the Company held by Shareholders as at a time and date to be determined by the Directors for the purpose of determining the Shareholders' entitlements under the Rights cum Warrants Issue (the "**Books Closure Date**"), with one (1) 2019 Warrant for every one (1) Rights Shares subscribed by the Shareholder, fractional entitlements to be disregarded (the "**Proposed Rights cum Warrants Issue**").

4. Basis of Provisional Allotment

The Company is proposing to undertake the Proposed Rights cum Warrants Issue on a renounceable non-underwritten basis to the Entitled Shareholders, on a basis of ten (10) Rights Shares for every one (1) existing ordinary share in the capital of the Company as at the Books Closure Date, fractional entitlements to be disregarded, and one (1) 2019 Warrant for every one (1) Rights Share.

5. Status and Ranking

The Rights Shares will be payable in full upon acceptance and/or application, and when allotted and issued, will rank *pari passu* in all respects with the then existing issued ordinary shares in the capital of the Company, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares. For this purpose, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Central Depository (Pte) Limited (“**CDP**”) or the Company, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

The terms and conditions of the Proposed Rights cum Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights cum Warrants Issue, including the procedures, acceptances and renunciations of applications for the Rights Shares will be contained in an offer information statement (the “**Offer Information Statement**”) (and all its accompanying application forms including any supplementary or replacement documents) to be despatched by the Company to the Entitled Shareholders (as defined below) in due course.

6. Size of the Proposed Rights cum Warrants Issue

As at the date of this announcement, the Company has (a) an existing issued and paid-up share capital comprising 299,843,943 ordinary shares (excluding nil treasury shares and nil subsidiary holdings) (the “**Existing Share Capital**”), and (b) 135,793,193 2018 Warrants, each 2018 Warrant carrying the right to subscribe for (1) new Share.

Save for the 135,793,193 outstanding 2018 Warrants, the Company does not have any outstanding convertible securities.

Under the Maximum Subscription Scenario

(i) Assuming:

- (a) Each of (i) the Undertaking Shareholders; and (ii) Ms Zhou, who are interested in an aggregate of 44,961,728 2018 Warrants, do not exercise any 2018 Warrants into new shares on or prior to the Books Closure Date;
- (b) all of the remaining 2018 Warrants are exercised into new shares on or prior to the Books Closure Date;
- (c) Ms Zhou, the Company's controlling shareholder who holds 89,923,456 shares, representing approximately 29.99% of the total issued and paid up share capital of the Company as at the date of this announcement will renounce 781,303,765 Rights Shares with 2019 Warrants in favour of Mission Well pursuant to the ZQL Undertaking (as defined below);
- (d) Mission Well will subscribe for the 781,303,765 Rights Shares with 2019 Warrants which will be renounced by Ms Zhou to Mission Well pursuant to the ZQL Undertaking (as defined below); and
- (e) the Undertaking Shareholders will subscribe for their *pro rata* entitlements of an aggregate of approximately 1,680,538,325 Rights Shares with 2019 Warrants pursuant to the New Irrevocable Undertakings (as defined below),

and all the Entitled Shareholders (including the Undertaking Shareholders (as defined below) subscribe for their *pro rata* entitlements of the Rights Shares with 2019 Warrants (the “**Maximum Issue Size**”), the Company will issue up to 3,473,905,180 Rights Shares and up to 3,473,905,180 2019 Warrants (the “**Maximum Subscription Scenario**”) and the resultant enlarged issued and paid-up share capital of the Company in the Maximum Subscription Scenario after the completion

of the Proposed Rights cum Warrants Issue will be (i) 3,821,295,698 Shares (excluding nil treasury shares and nil subsidiary holdings) before the exercise of any 2019 Warrants; and (ii) 7,295,200,878 Shares (excluding nil treasury shares and nil subsidiary holdings) after the exercise of all the 2019 Warrants.

Under the Minimum Subscription Scenario

(ii) Assuming:

- (a) none of the 2018 Warrants are exercised on or prior to the Books Closure Date;
- (b) Mission Well will subscribe for the 781,303,765 Rights Shares with 2019 Warrants which will be renounced by Ms Zhou to Mission Well pursuant to the ZQL Undertaking; and
- (c) the Undertaking Shareholders will subscribe for their pro rata entitlements of an aggregate of approximately 899,234,560 Rights Shares with 2019 Warrants pursuant to the New Irrevocable Undertakings (as defined below),

the Company will issue up to 1,680,538,325 Rights Shares and up to 1,680,538,325 2019 Warrants (the “**Minimum Subscription Scenario**”) and the resultant enlarged issued and paid-up share capital of the Company in the Minimum Subscription Scenario after the completion of the Proposed Rights cum Warrants Issue will be (i) 1,980,382,268 Shares (excluding nil treasury shares and nil subsidiary holdings) before the exercise of any 2019 Warrants; and (ii) 3,660,920,593 Shares (excluding nil treasury shares and nil subsidiary holdings) after the exercise of all the 2019 Warrants.

7. Issue Price

The Issue Price of S\$0.0056 for each Rights Share represents a discount of approximately:

- (a) 56.92% to the closing price of S\$0.013 per Share for trades done on Catalist on 22 September 2020 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 23 September 2020); and
- (b) 11.11% to the theoretical ex-rights price of S\$0.0063 per Share, based on the closing price of S\$0.013 per Share on 22 September 2020 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 23 September 2020).

8. Option to Scale Down

Depending on the level of subscription for the Rights Shares with 2019 Warrants, the Company will, if necessary, scale down a Shareholder’s application to subscribe for the Rights Shares with 2019 Warrants to:

- (a) ensure that the relevant Shareholder does not acquire a controlling interest in the Company as prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting; or
- (b) avoid placing the relevant Shareholder and parties acting in concert with it (as defined in the Singapore Code on Take-overs and Mergers (the “**Code**”)) in the position of incurring a mandatory bid obligation under the Code as a result of other Shareholders not taking up with entitlements of Rights Shares with 2019 Warrants fully.

For the avoidance of doubt, the option to scale down referred to in this paragraph shall not apply to the Undertaking Shareholders’ (as defined below) applications to subscribe for their *pro rata* entitlements of Rights Shares with 2019 Warrants.

9. Form and Subscription Rights of the 2019 Warrants

Up to 3,473,905,180 2019 Warrants, to be issued free with the Rights Shares subscribed for, will be in registered form and constituted by a deed poll setting out the terms and conditions of the 2019 Warrants (the “**Deed Poll**”). Each 2019 Warrant will, subject to the terms and conditions in the Deed Poll, carry the right to subscribe for one (1) New Share at the Exercise Price during the exercise period commencing on and including the date of issue of the 2019 Warrants and expiring at 5.00 p.m. on the date immediately preceding the third (3rd) anniversary of the date of issue of the 2019 Warrants unless such date is a date on which the register of members and/or register of warrant holders of the Company is/are closed or is not a market day, in which event the 2019 Warrants shall expire on the date prior to the closure of the register of members and/or register of warrant holders of the Company or on the immediately preceding market day, as the case may be (but excluding such period(s) during which the register of members and/or the register of warrant holders of the Company may be closed) (the “**Exercise Period**”). Any 2019 Warrant remaining unexercised at the end of the Exercise Period shall lapse and cease to be valid for all purposes.

In arriving at the number of 2019 Warrants to issue and allot pursuant to the subscription of Rights Shares, fractional entitlements to the 2019 Warrants, if any, will be disregarded, and will be disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The 2019 Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the Catalist of the SGX-ST under the book-entry (scripless) settlement system, subject to there being a sufficient spread of holdings of the 2019 Warrants to provide an orderly market for the 2019 Warrants.

The New Shares arising from the exercise of the 2019 Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions, the record date of which falls on or after the date of issue of the New Shares, save as may be otherwise provided in the Deed Poll.

The Exercise Price and the number of 2019 Warrants to be held by each holder of the 2019 Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company.

10. Non-underwritten basis

The Proposed Rights cum Warrants Issue will not be underwritten. In view of (i) the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees; (ii) there being no minimum amount that must be raised from the Proposed Rights cum Warrants Issue; and (iii) the Irrevocable Undertakings (as defined below) to be provided by certain controlling Shareholders of the Company, further details which are set out in Paragraph 12 of this announcement, the Company has decided to proceed with the Proposed Rights cum Warrants Issue on a non-underwritten basis.

11. Approvals

The Proposed Rights cum Warrants Issue is subject to, *inter alia*, the following conditions:

- (a) the approval of the Shareholders for the Proposed Rights cum Warrants Issue being obtained at the EGM;
- (b) the receipt of a listing and quotation notice from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the 2019 Warrants and the New Shares on Catalist (“**LQN**”) and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Rights cum Warrants Issue, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;

- (c) the grant of the New Whitewash Waiver (as defined below) by the Securities Industry Council (“**SIC**”);
- (d) the approval of Independent Shareholders (as defined below) for the New Whitewash Resolutions (as defined below) being obtained at the EGM to be convened;
- (e) the lodgement of the Offer Information Statement together with all the other accompanying documents (if applicable) in connection with the Proposed Rights cum Warrants Issue with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore (the “**MAS**”); and
- (f) all other necessary approvals, consents and/or waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights cum Warrants Issue and to give effect to the Proposed Rights cum Warrants Issue, being obtained and not having been withdrawn or revoked before the completion of the Proposed Rights cum Warrants Issue.

The Company has, on 8 November 2019, received the listing and quotation notice from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the dealing in, *inter alia*, listing of and quotation for the Rights Shares, the 2019 Warrants and the New Shares on the Catalist of the SGX-ST and such approval has not been withdrawn or revoked as at the date of this announcement and is subject to the condition as set out at paragraph 11(b) above.

The terms and conditions of the Proposed Rights cum Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights cum Warrants Issue will be contained in the Offer Information Statement (and all its accompanying application forms including any supplementary or replacement documents) to be issued and despatched by the Company in due course.

The Offer Information Statement (as defined above) will be lodged with the SGX-ST acting as agent of the MAS, and despatched to Entitled Shareholders in due course following, *inter alia*, the Proposed Rights cum Warrants Issue being approved by the Shareholder at the EGM and subject to the LQN not having been withdrawn or revoked on or prior to the completion of the Proposed Rights cum Warrants Issue. Any Shares, will be subject to such conditions (if any) stated therein, and should not be taken as an indication of the merits of the Proposed Rights cum Warrants Issue, the Rights Shares, the 2019 Warrants, the New Shares, the Company, its subsidiaries and/or their securities.

Appropriate announcements in relation to, *inter alia*, the above application, updates of expression of interest, intention and undertakings, despatch of the circular, and lodgement and despatch of the Offer Information Statement will be made in due course.

12. New Irrevocable Undertakings for the Proposed Rights cum Warrants Issue

The Proposed Rights cum Warrants Issue will be supported by certain controlling shareholders of the Company, namely Mr Heilesen, through his indirect interest in Mission Well Limited (“**Mission Well**”) and Go Best Holdings Limited (“**Go Best**”) (collectively, the “**Undertaking Shareholders**”).

As at the date of this announcement, Mr Heilesen (through Mission Well and Go Best) has an aggregate deemed interest in 89,923,456 Shares, representing an aggregate interest of approximately 29.99% of the Existing Share Capital. Mr Heilesen is (i) the sole shareholder and director of Mission Well; and (ii) a person deemed interested in the Shares that are held by Go Best, of which the ultimate holding company of Go Best is the trustee of Christian Kwok-Leun Yau Heilesen Family Trust (which the beneficiaries are family members of Mr Heilesen).

Mr Heilesen (through Mission Well and Go Best) also has an aggregate interest in 43,284,890 2018 Warrants.

The shareholding interests of the Undertaking Shareholders are as follows:

Undertaking Shareholder	Direct Interest		Deemed Interest		Total % ⁽¹⁾
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	
Mission Well Limited	84,395,956	28.15	-	-	28.15
Go Best Holdings Limited	5,527,500	1.84	-	-	1.84
Christian Kwok-Leun Yau Heilesen ⁽²⁾	-	-	89,923,456	29.99	29.99

Notes:

- (1) Based on the Existing Share Capital.
- (2) Christian Kwok-Leun Yau Heilesen is deemed interested in the 84,395,956 Shares held by Mission Well Limited as he is the sole shareholder and director of Mission Well Limited. Furthermore, he is also deemed to be interested in 5,527,500 shares held by Go Best Holdings Limited, which ultimate holding company is the trustee of Christian Kwok-Leun Yau Heilesen Family Trust (which the beneficiaries are family members of Christian Kwok-Leun Yau Heilesen).

To show support for the Proposed Rights cum Warrants Issue and to demonstrate their commitment to the Company, each of the Undertaking Shareholders, namely Mission Well, Go Best and Mr Heilesen (collectively referred to as the **“Concert Group”**) have given fresh irrevocable undertakings on 16 April 2020 (the **“New Irrevocable Undertakings”**), pursuant to which each of the Undertaking Shareholders has irrevocably undertaken to the Company that, *inter alia*:

- (a) it will and/or will procure that the relevant Shareholder shall not exercise any of the 2018 Warrants that it holds between the date of the New Irrevocable Undertaking until the Books Closure Date;
- (b) it will not sell, transfer or otherwise deal (as the case may be) with any of the Shares that they own or control as at the date of the New Irrevocable Undertakings, during the period between the date of the New Irrevocable Undertakings and the Books Closure Date;
- (c) it will fully subscribe and/or procure applications and subscriptions for and pay for and/or procure the payment for the whole of its *pro rata* beneficial entitlement of 899,234,560 Rights Shares with 2019 Warrants;
- (d) it will fully subscribe and/or procure subscription for up to 781,303,765 Rights Shares with 2019 Warrants which are to be renounced by Ms Zhou in favour of Mission Well pursuant to a letter of undertaking executed by Ms Zhou in favour of the Company dated 16 April 2020 (the **“ZQL Undertaking”**);
- (e) it will not subscribe and/or procure that the relevant Shareholder shall not subscribe for any Rights Shares with 2019 Warrants which are not subscribed for or otherwise taken up and/or applied by the other Entitled Shareholders (**“Excess Rights Shares with 2019 Warrants”**);
- (f) it shall provide evidence in writing from one or more financial institutions in a form which is acceptable to Company and the Sponsor that it has a sufficient amount standing to its credit with the financial institution, sufficient for the purposes of fulfilling their obligations set out in paragraphs (c) and (d) above;
- (g) it will vote and/or procure the voting of, all of their shareholding, whether held directly or indirectly, in favour of the resolution relating to the Proposed Rights cum Warrants Issue at the EGM;
- (h) it warrants and represents that (a) it has the full capacity to make the representations, warranties and undertakings contained in the New Irrevocable Undertakings; (b) the representations, warranties and undertakings contained in the New Irrevocable Undertakings constitute valid, binding and enforceable obligations on it in accordance with its terms; (c) the making of the representations, warranties and undertakings contained in the New Irrevocable Undertakings does not contravene any law, regulation or authorisation binding on them; and (d) it shall not

circulate the New Irrevocable Undertakings to any third parties without the Company's prior consent;

- (i) it acknowledges that the Company is not obliged to proceed with the Proposed Rights cum Warrants Issue and the Company shall have the right to vary any of the terms of the Proposed Rights cum Warrants Issue and that the New Irrevocable Undertakings will remain in force notwithstanding such variation and that the final terms and conditions of the Proposed Rights cum Warrants Issue will be set out in the Offer Information Statement and the accompanying documents to be issued in connection with the Proposed Rights cum Warrants Issue, and confirm that the New Irrevocable Undertakings will remain in full force and effect notwithstanding such variation;
- (j) it shall do or procure the doing of all such acts, provide all such information, confirmations, undertakings and certificates and execute or procure the execution of all such documents as may be necessary and/or pursuant to any requirements of the SGX-ST, the MAS, the Accounting and Corporate Regulatory Authority ("**ACRA**"), the SIC and/or any other regulatory authorities in Singapore, (in each case) in relation to the Proposed Rights cum Warrants Issue and all the matters set out in paragraphs (a) to (i) above;
- (k) it shall indemnify and hold harmless the Company from and against any and all losses, liabilities, damages, costs, charges, expenses (including legal fees on a full indemnity basis) and taxes, claims, actions, demands or judgment which are suffered or incurred by or which are instituted, made or alleged against the Company by reason of or in connection with any breach or default of its obligations set out in paragraphs (a) to (j) above, and shall pay to the Company on demand an amount equal to all costs, charges and expenses (including legal fees on a full indemnity basis) which the Company may pay or incur in connection with investigating, disputing or defending any such claims or losses (whether actual, pending or threatened and whether or not the Company is or may be a party to any such claims); and
- (l) it shall not, and/or shall procure that the relevant Shareholder shall not, exercise any of the 2018 Warrants and / or 2019 Warrants to the extent that the aggregate direct and indirect shareholding of the Concert Group in the Company exceeds 90% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings).

The issuance of Rights Shares with 2019 Warrants to the Undertaking Shareholders pursuant to the New Irrevocable Undertakings may result in an obligation of the Undertaking Shareholder(s) (together with persons acting in concert with the relevant Undertaking Shareholder(s)) to make a take-over under Rule 14 of the Code. In this regard, the Company will seek the approval of (i) the SIC for granting a waiver of their obligations to make a mandatory general offer under the Code, for all the Shares not owned or controlled by the Undertaking Shareholders or parties acting in concert with such relevant Undertaking Shareholder(s) (the "**New Whitewash Waiver**") and (ii) the approval of a whitewash resolution from Independent Shareholders (as defined below) for the waiver of their right to receive such a mandatory offer from the Undertaking Shareholder(s) or parties acting in concert with such relevant Undertaking Shareholder(s) (the "**New Whitewash Resolution**") and such other conditions that the SIC may impose which are reasonably acceptable to the Company.

For the avoidance of doubt Ms Zhou will be undertaking (through the New ZQL Undertaking provided on 16 April 2020 and 26 May 2020) that, *inter alia*:

- (a) she shall not exercise any of the 2018 Warrants that she holds on or before the Books Closure Date; and
- (b) she shall renounce 781,303,765 Rights Shares with 2019 Warrants in favour of Mission Well pursuant to the ZQL Undertaking.

Accordingly, assuming the Minimum Subscription Scenario, the issuance of Rights Shares with 2019 Warrants to Ms Zhou will not result in an obligation of Ms Zhou (together with persons acting in concert with Ms Zhou) to make a take-over under Rule 14 of the Code. In this regard, Ms Zhou will not be seeking a Whitewash Waiver in connection with the Proposed Rights cum Warrants Issue.

The New Irrevocable Undertakings are subject to and conditional upon:

- (a) the grant of the New Whitewash Waiver by the SIC and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Rights cum Warrants Issue;
- (b) the receipt of the LQN from the SGX-ST for the dealing in, listing of and quotation of the Rights Shares, the 2019 Warrants and the New Shares under the Proposed Rights cum Warrants Issue on the Catalist and such approval not being withdrawn or revoked as at the completion of the Proposed Rights cum Warrants Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (c) the Proposed Rights cum Warrants Issue being approved by the Shareholders at the EGM;
- (d) the New Whitewash Resolution being approved by independent Shareholders (being Shareholders other than the relevant Undertaking Shareholder(s) and parties acting in concert with them) (the **"Independent Shareholders"**) at the EGM;
- (e) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), by the Company in respect of the Proposed Rights cum Warrants Issue with the MAS; and
- (f) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights cum Warrants Issue and to give effect to the Proposed Rights cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Proposed Rights cum Warrants Issue.

13. Independent Financial Advisor

The Company has appointed W Capital Markets Pte. Ltd. as the independent financial advisor (the **"Independent Financial Advisor"**) to advise the Directors who are deemed independent for the purpose of making recommendations to the Independent Shareholders in respect of the proposed New Whitewash Resolution (as defined below). The advice of the Independent Financial Advisor (the **"IFA Opinion"**) shall be included in the circular to Shareholders to be despatched in due course.

14. The New Whitewash Waiver

The Singapore Code on Take-Overs and Mergers (the **"Code"**) regulates the acquisition of ordinary shares of public companies, including the Company. Unless exempted, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30% to 50% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1.0 % of the voting rights in the Company in any six-month period, must extend a take-over offer for the remaining Shares in the Company in accordance with the provisions of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Code as a result of any acquisition of Rights Shares with 2019 Warrants pursuant to the Proposed Rights cum Warrants Issue should consult the SIC and/or their professional advisers immediately.

The issuance of Rights Shares with 2019 Warrants to the Undertaking Shareholders pursuant to the New Irrevocable Undertakings may result in an obligation of the Undertaking Shareholder(s) (together with persons acting in concert with the relevant Undertaking Shareholder(s)) to make a take-over under Rule 14 of the Code.

In this regard, as stated in the Company's announcement dated 11 August 2020, the Company had, on 11 August 2020, received a letter from the SIC that the Concert Group cannot rely on the Waiver and

corresponding Whitewash Resolution, which has expired. The SIC waives the obligation for the Concert Group to make a mandatory offer for the Company under Rule 14 of the Code arising from:

- (a) the Concert Group's subscription for the Rights Shares with 2019 Warrants pursuant to the Irrevocable Undertakings; and
- (b) the New Shares to be issued to the Concert Group upon exercise of the 2019 Warrants.

(the "**New Whitewash Waiver**")

The New Whitewash Waiver is subject to the conditions imposed by the SIC and in particular, a majority of holders of voting rights of the Company approve at a general meeting, before the Proposed Rights cum Warrants Issue, a resolution (the "**New Whitewash Resolution**") by way of a poll to waive their rights to receive a general offer from the Concert Group.

15. Shareholders' Loans and Offsetting Arrangements

The Company refers to its announcements on 22 September 2020 in relation to the entry into loan agreements with two of its Undertaking Shareholders, Mission Well and Go Best in the following manner:

- (a) a loan agreement dated 22 September 2020 with Mission Well (the "**Mission Well Loan Agreement**") pursuant to which Mission Well, will extend unsecured, interest free loan facility of up to an aggregate principal amount of S\$9,101,474.62 to the Company (the "**Mission Well Loan**").
- (b) a loan agreement dated 22 September 2020 with Go Best (the "**Go Best Loan Agreement**") pursuant to which Go Best, will extend unsecured, interest free loan facility of up to an aggregate principal amount of S\$309,540.00 to the Company (the "**Go Best Loan**").

Pursuant to the terms of the Mission Well Loan Agreement and Go Best Loan Agreement, the Company may, at its absolute discretion, prepay any outstanding sums under the Mission Well Loan Agreement and Go Best Loan Agreement at any time prior to the relevant maturity dates. No fees, expenses or charges shall be payable by the Company on any amounts prepaid by the Company under the Mission Well Loan Agreement and Go Best Loan Agreement.

According to the Mission Well Loan Agreement and Go Best Loan Agreement, any sums pursuant to the Mission Well Loan and the Go Best Loan may be drawn down at any time on or before the day immediately preceding the 7th day falling before the closing date for receipts and acceptances of application forms of Right Shares.

The Company has agreed with Mission Well and Go Best on the following:

- (a) The Company and Mission Well will mutually agree that the subscription monies due from Mission Well to the Company for the subscription by Mission Well of (a) 843,959,560 Rights Shares with 2019 Warrants (approximately S\$4,726,173.54) and (b) 781,303,765 Rights Shares with 2019 Warrants (approximately S\$4,375,301.08) which are to be renounced by Ms Zhou Qi Lin in favour of Mission Well pursuant to its irrevocable undertakings dated 16 April 2020 and 26 May 2020 will be offset entirely against the aggregate outstanding principal amount on the Mission Well Loan (the "**Mission Well Offsetting Arrangement**"). Accordingly, the principal amount of the Mission Well Loan may be repaid in full upon completion of the Proposed Rights cum Warrants Issue.
- (b) The Company and Go Best will mutually agree that the subscription monies due from Go Best to the Company for the subscription by Go Best of 55,275,000 Rights Shares with 2019 Warrants (approximately S\$309,540) pursuant to its irrevocable undertaking dated 16 April 2020 will be offset entirely against the aggregate outstanding principal amount on the Go Best Loan (the "**Go Best Offsetting Arrangement**"). Accordingly, the principal amount of the Go Best Loan may be repaid in full upon completion of the Proposed Rights cum Warrants Issue.

Based on the New Irrevocable Undertakings, Mission Well and Go Best have provided irrevocable undertakings to, *inter alia*, provide evidence in writing from one or more financial institutions in a form which is acceptable to the Company and the Sponsor that it has a sufficient amount standing to its credit with the financial institution, sufficient for the purposes of fulfilling their obligations to fully subscribe for the subscription of the Rights Shares with 2019 Warrants pursuant to the New Irrevocable Undertakings.

In view of the Mission Well Offsetting Arrangement and Go Best Offsetting Arrangement, and the fact that the outstanding principal amount of the Mission Well Loan and the outstanding principal amount of the Go Best Loan are equivalent to the respective subscription amount payable by Mission Well and Go Best under their respective New Irrevocable Undertakings, the Undertaking Shareholders will not be required to provide confirmation of financial resources in connection with their respective Irrevocable Undertakings.

Further to the Company's announcement dated 11 August 2020, the Company had, on 2 September 2020, written to the SIC to seek clarification on whether the Concert Group may rely on the New Whitewash Waiver notwithstanding that the Proposed Rights cum Warrants Issue is subject to the Mission Well Offsetting Arrangement and the Go Best Offsetting Arrangement. On 7 September 2020, the SIC responded that the Concert Group may rely on the New Whitewash Waiver notwithstanding the Mission Well Offsetting Arrangement and the Go Best Offsetting Arrangement. However, in the announcement of the Mission Well Loan, Go Best Loan and with respect to paragraph 3(f)(i) of the SIC's letter dated 11 August 2020, the Company should set out clearly in its Circular to its shareholders, details of the Mission Well Loan, Go Best Loan, Mission Well Offsetting Arrangement and Go Best Offsetting Arrangement.

The Company will set out the information as indicated in SIC's response dated 7 September 2020 in the Circular which will be despatched to Shareholders in due course.

16. Rationale of the Proposed Rights cum Warrants Issue

On 25 May 2017, the Company announced the 2018 Rights cum Warrants Issue, pursuant to which the Company announced that the proceeds from the 2018 Rights cum Warrants Issue are intended to be utilized to strengthen the financial position and cash position of the Group, to provide working capital for the Group and to fund the proposed diversification of the Group's business to include the financing and luxury goods business. Pursuant to the 2018 Rights cum Warrants Issue, the Company raised approximately S\$5.15 million in net proceeds. As announced on 3 April 2018, 13 August 2018 and 27 February 2019, 100% of the proceeds from the 2018 Rights cum Warrants Issue had been disbursed.

The Company is proposing to undertake the Proposed Rights cum Warrants Issue to further strengthen the financial position and cash position of the Group, and to provide further working capital for the Group, as well as to provide further funding to commence operations of the financing business (the "**Financing Business**") which had been approved by the Shareholders at the extraordinary general meeting held on 6 September 2017. The Financing Business and luxury goods business are capital intensive in nature and the Group requires a substantial amount of capital for operations and for future expansion of the Group's Financing Business and luxury goods business.

The Proposed Rights cum Warrants Issue will also provide the Shareholders with an opportunity to participate in the equity of the Company, and will allow the Group to be less reliant on external sources of funding for its general corporate activities.

17. Proposed Use of Net Proceeds

Assuming the Maximum Subscription Scenario, the estimated net proceeds (the "**Net Proceeds**") from the Proposed Rights cum Warrants Issue is expected to be approximately S\$9.7 million (if none of the 2019 Warrants are exercised) and approximately S\$51.3 million (if all of the 2019 Warrants are exercised), after deducting estimated costs, expenses and commissions of approximately S\$0.4 million incurred in connection with the Proposed Rights cum Warrants Issue. For the avoidance of doubt, the

foregoing estimated Net Proceeds is derived after the exclusion of the S\$9.4 million loan in respect of the Mission Well Offsetting Arrangement and Go Best Offsetting Arrangement.

Assuming the Minimum Subscription Scenario, there will be no Net Proceeds from the Proposed Rights cum Warrants Issue (if none of the 2019 Warrants are exercised) and approximately S\$19.8 million (if all of the 2019 Warrants are exercised), after deducting estimated costs, expenses and commissions of approximately S\$0.4 million incurred in connection with the Proposed Rights cum Warrants Issue. For the avoidance of doubt, the foregoing estimated Net Proceeds is derived after the exclusion of the S\$9.4 million loan in respect of the Mission Well Offsetting Arrangement and Go Best Offsetting Arrangement.

On 10 October 2019, the Company announced that there will be a re-allocation of the use of net proceeds from the Proposed Rights cum Warrants Issue which was similarly set out in the Circular dated 11 October 2019 despatched to Shareholders.

The Board wishes to update that there is a 2nd re-allocation of the use of net proceeds from the Proposed Rights cum Warrants Issue ("**2nd Re-Allocation of the Use of Net Proceeds**"). The re-allocated use of net proceeds from the Proposed Rights cum Warrants Issue will be set out in the Proposed Rights cum Warrants Issue Circular which will be despatched to Shareholders in due course.

The Group has re-allocated (i) 5% of the use of net proceeds from the Proposed Rights cum Warrants Issue initially allocated for the Financing Business and (ii) 30% of the use of net proceeds from the Proposed Rights cum Warrants Issue initially allocated for the new acquisitions to be utilised for the purpose of expansion of the luxury goods business.

The rationale for the 2nd Re-Allocation of the Use of Net Proceeds is to provide additional funding for the Group to expand the luxury goods business in order to achieve the Group's long-term goal to enhance shareholders' value. The Board is of the view that the Re-Allocation of the Use of Net Proceeds would be in the best interests of the Group and its shareholders.

The details of the 2nd Re-Allocation of the Use of Net Proceeds is set out in the table below:

Use of Proceeds	Allocation of Net Proceeds announced in the Announcement dated 15 April 2020 (%)	Re-Allocated Net Proceeds set out in the Proposed Rights cum Warrants Issue Circular (%)	2nd Re-Allocation of the Use of Net Proceeds (%)
Funding for the Financing Business	30	15	10
New acquisitions	20	40	10
Expansion of the luxury goods business	20	15	50
For general corporate and working capital purposes	30	30	30
Total	100	100	100

Upon completion of the Proposed Rights cum Warrants Issue, and pending the deployment of the Net Proceeds for the abovementioned purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated in the Offer Information Statement, and provide a status report on the use of the Net Proceeds in the Company's annual reports until such time the Net Proceeds have been fully utilised. Where the proceeds have been used for general corporate and/or working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds in the

announcements and status reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

Based on the reasonable opinion of the Directors as at the date of this Announcement, there is no minimum amount which must be raised from the Proposed Rights cum Warrants Issue taking into consideration the intended use of the Net Proceeds.

18. Directors' Opinion

For the purposes of Rule 814(1)(f) of the SGX-ST Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**"), as at the date of this announcement and barring unforeseen circumstances, the Directors are of the opinion that:

- (a) after taking into consideration the Mission Well Loan, Go Best Loan, present bank facilities and operating cash flows of the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the reasons for undertaking the Proposed Rights cum Warrants Issue are set out in paragraph 16 of this announcement; and
- (b) after taking into consideration the Mission Well Loan, Go Best Loan, present bank facilities and operating cash flows of the Group as well as the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

19. Circular to Shareholders

The circular containing further details of, *inter alia*, the Proposed Rights cum Warrants Issue, the proposed New Whitewash Resolution and the IFA Opinion, together with the notice of the EGM in connection therewith, will be despatched to Shareholders in due course.

20. Cautionary Statement

Shareholders are advised to exercise caution in trading their Shares. The Proposed Rights cum Warrants Issue and the Proposed New Whitewash Resolution are subject to certain conditions, including Shareholders' approval at the EGM to be convened, and there is no certainty or assurance as at the date of this announcement that the Proposed Rights cum Warrants Issue and the Proposed New Whitewash Resolution will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements where there are further developments.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

21. Interests of Directors and Substantial Shareholders

Save as disclosed in this announcement, none of the other Directors and substantial shareholders, as well as their respective associates, has any interest, direct or indirect, in the Proposed Rights cum Warrants Issue and the Proposed New Whitewash Resolution (other than through their respective shareholdings in the Company, if any).

22. Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Rights cum Warrants Issue and the Proposed New Whitewash Resolution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make

any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

23. Further Announcements

Further announcements will be made by the Company in relation to the Proposed Rights cum Warrants Issue and the Proposed New Whitewash Resolution as and when appropriate.

BY ORDER OF THE BOARD OF Incredible Holdings Ltd.

Christian Kwok-Leun Yau Heilesen
Executive Director
23 September 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 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.