

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

FURTHER INFORMATION IN RELATION TO THE PROPOSED ACQUISITION BY CENTRAL CAPITAL APS, A WHOLLY-OWNED SUBSIDIARY OF INCREDIBLE HOLDINGS LTD., OF THE ENTIRE SHARE CAPITAL IN HB 2021 APS

The Board of Directors of Incredible Holdings Ltd. (the “Company” and together with its subsidiaries the “Group”) refer to its earlier announcement 9 June 2021 entitled “ENTRY INTO OF SHARE SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE SHARE CAPITAL IN HB 2021 APS BY INCREDIBLE HOLDINGS LTD.”, 15 June 2021 entitled “Response to SGX Queries” and 17 June 2021 entitled “2nd response to SGX Queries” (the “Earlier Announcements”).

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 would like to provide further information on how the Consideration of DKK5.2 million (equivalent to approximately S\$1.13 million) is being derived.

The store is fully renovated and fitted with armor and bulletproof windows, security lock and alarms, CCTV monitoring systems, three (3) large safety boxes for storing valuable items. Based on the Company’s internal estimates and assessment, if the Company were to renovate another store with the same fixtures and renovations as the Company had also sought a quotation of renovation works, these will cost approximately DKK4-5 million in renovation costs and this amount excludes the security features such as the bulletproof windows and deadman door etc.

After assessing the relevant cost and time estimates, it makes more economic sense for the Company to acquire the Target for DKK5.2 million with all the fixtures already in store for operation versus incurring DKK5.2 million for setting up a store with the same quality of fixtures. Moreover, the Company saves a lot of time that may be used for renovation and security installation. Furthermore, it is likely to exceed DKK 5.2M if the Company were to build it themselves as the quotation has not factored in the bulletproof windows and deadman door etc. The Consideration of DKK5.2 million is being derived based on the estimation cost of renovation and security systems the Company would spend to get the store in a position for operation for trading of luxury goods which requires a high quality of security system to safeguard the Company’s assets.

In addition, the location of the store is at Bredgade 19, 1260 Copenhagen, Denmark which is one of the most sought-after premises in Copenhagen. The total annual rent of the store is DKK1,140,700 (equivalent to approximately S\$247,000). This works out to a per annum rent of about DKK2,412 per square meter.

Pursuant to the Lease Act, it would not be easy to find a store with the correct size and prime location that comes with full new renovation with advanced security system which are completely ready for operating the business of the Group. Moreover, the Company is of the view that the prime location of the store is similar to Orchard Road in Singapore. The rentals for stores in the prime location of Copenhagen ranges from DKK2,000 to DKK3,400 per square meter. The rent of the store is in the lower range. Therefore, the Company considers this store’s location to be attractive and the rental to be in line with market rates located in prime areas in Copenhagen, Denmark.

Taking into account of the above, the Directors are of the view that the transaction is not prejudicial to the shareholders. The transaction provides another avenue for the Company to grow its businesses.

According to the latest management account as at 30 April 2021, the Target is in a net liabilities position of DKK23,262 (equivalent to approximately S\$5,000). The costs of renovation and security system were not recorded in the Target’s management accounts because these fixtures already existed before the Sellers acquired the lease of the store from the previous tenant. Therefore, it will result in a goodwill of approximately S\$1.1 million after the completion of proposed acquisition for the Company.

By Order of Incredible Holdings Ltd.

Christian Kwok-Leun Yau Heilesen

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Executive Director
24 June 2021

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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