

**ENTRY INTO OF SHARE SALE AND PURCHASE AGREEMENT IN RELATION TO THE
PROPOSED DISPOSAL BY INCREDIBLE HOLDINGS LTD., OF THE ENTIRE SHARE CAPITAL
IN LUXURY WATCH TRADING LIMITED**

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 19 December 2019 in relation to, *inter alia*, the Proposed Disposal of Entire Share Capital in Luxury Watch Trading Limited; and
- (b) the Company’s announcement dated 16 January 2020 in relation to the response to the Exchange queries from exchange on the Proposed Disposal of Entire Share Capital in Luxury Watch Trading Limited; and
- (c) the Company’s announcement dated 30 September 2020 in relation to, *inter alia*, the Termination of the Proposed Disposal of Subsidiary;

(collectively, **“Previous Announcements”**)

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

The Board of Directors of Incredible Holdings Ltd. (the **Company**” and together with its subsidiaries the **Group**”) wishes to announce that the Company entered into a share sale and purchase agreement with Chan Ka Leung (the **New Purchaser**”) on 9 October 2020 (the **Share Sale and Purchase Agreement**”) for the sale of the entire share capital in Luxury Watch Trading Limited (**LW**”) to the New Purchaser (the **Proposed Disposal**”).

The New Purchaser is an independent third party and he is not related to any Directors or shareholders of the Company.

LW is a company with limited liability, incorporated in the Hong Kong SAR on 23 December 1998. LW has an existing registered capital of HKD10,000, 100% of which is held by the Company. LW ceased operation since 2017.

For the financial year ended 31 December 2019 (**FY2019**”), LW recorded nil revenue and profit before tax of approximately S\$5.04 million (due mainly to write back intercompany balance which the Company deems it as an extraordinary item). As at 31 December 2019, LW was in net tangible liabilities position of approximately S\$14 thousand. For the six months period ended 30 June 2020 (**HY2020**”), LW did not record any revenue and incurred loss after tax of approximately S\$8 thousand. As at 30 June 2020, LW was in net tangible liabilities position of approximately S\$22 thousand.

Consideration of the Proposed Disposal

The consideration of the Proposed Disposal (**Consideration**”) will be HKD1.00, payable by the New Purchaser to the Company by cash upon completion. The Consideration was arrived after arms’ length negotiations between the Company and the New Purchaser on a willing seller and willing buyer basis and taking into consideration the negative net tangible liabilities position of LW. No valuation was conducted in relation with the Proposed Disposal. The Proposed Disposal is expected to result in a net gain of approximately S\$22 thousand.

Completion

Completion of the Proposed Disposal shall take place on or before 31 October 2020 after the Conditions Precedent shall have been fulfilled.

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Rationale of the Proposed Disposal

The Proposed Disposal is carried out so as to focus the Group's resources on its scalable core business, being the distribution of consumable material for electronics industry and trading of luxury goods and part of its efforts to rationalize and streamline the Group's corporate structure. The trading of luxury goods is operated by Vashion Group (HK) Holdings Limited and not LW. Taking into consideration (a) LW ceased operation since 2017, (b) LW's net tangible liabilities position of approximately S\$22 thousand as at 30 June 2020, the Board has taken the advice of the Management and agreed that the Proposed Disposal would be in the best interest of the Group.

Financial effects of Proposed Disposal

The Proposed Disposal is not expected to have any material impact on the consolidated net tangible assets or net earnings or loss per share of the Company and the Group for the current financial year ending 31 December 2020.

Relative Figures under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") Section B: Rules of Catalist ("Catalist Rules")

For the purposes of Chapter 10 of the Catalist Rules, the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules based on the latest announced consolidated financial statements of the Group for HY2020 are as follows:

Rule 1006	Proposed Disposal of LW	%
(a)	The net asset value of the assets to be disposed of compared with the group's net asset value.	-0.75% ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed compared with the Group's consolidated net profits.	0.77% ⁽²⁾
(c)	The aggregate value of the consideration given, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	0.00% ⁽³⁾⁽⁴⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not Applicable

Notes:

- (1) LW is at net liabilities position of approximately S\$22 thousand as at 30 June 2020, while the Group is in net asset position of approximately S\$2.96 million as at 30 June 2020.
- (2) The net profits used for the computation is taken from the loss before income tax, minority interests and extraordinary items. The Group and LW recorded pre-tax loss of approximately S\$1 million and S\$8 thousand respectively in HY2020.
- (3) The market capitalization has been computed based on the Company's issued Share capital comprising 299,843,943 Shares and the weighted average price for the Company's shares on 8 October 2020, being the last trading day preceding the date of the Share Sale and Purchase Agreement, of S\$0.011 per Share.
- (4) Based on the exchange rate of S\$1: HK\$5.70 as at 8 October 2020.

Based on the above figures and pursuant to Rule 1007(1) and Practice Note 10A of the Catalist Rules, the Proposed Disposal constitutes a non-discloseable transaction and no shareholders' approval is required.

Arbitration Awards Against Luxury Watch Trading Limited

There is no further update since the last announcement dated 19 December 2019.

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Interest of Directors and Controlling Shareholders

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal

Directors' 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 Disposal, 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.

Documents for inspection

Shareholders should note that a copy of the Share Sale and Purchase Agreement will be available for inspection during normal business hours at the Company's registered office at 280 Woodlands Industrial Park, E5 #10-50, Harvest @ Woodlands, Singapore 757322 for three (3) months from the date of this announcement.

By Order of the Board

Christian Kwok-Leun Yau Heilesen
Executive Director
9 October 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.