



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

MEDIA RELEASE

INCREDIBLE TO ACQUIRE 42.0% OF GOLDEN ULTRA LIMITED FOR HK\$84.0 MILLION TO EXPAND ITS LUXURY WATCH TRADING BUSINESS IN HONG KONG

- *Group entered into a sales and purchase agreement (“SPA”) for the proposed acquisition of a 42.0% stake in Golden Ultra Limited (“GUL” or the “Target”) for HK\$84.0 million (or S\$14.6 million¹)*
- *The proposed earnings accretive acquisition once completed would enable the Group to instantly expand its luxury watch trading business into Hong Kong as it continues to build-up its business presence in Singapore, Korea and Denmark*
- *Target’s luxury watch trading platform generated a net profit after tax (“NPAT”) of HK\$1.2 million (or S\$0.2 million¹) in HY2021 while its NPAT soared 62.0% from HK\$2.1 million (or S\$0.4 million¹) in FY2019 to HK\$3.4 million (or S\$0.6 million¹) in FY2020 despite Covid-19 pandemic*

Singapore, October 18, 2021 – Incredible Holdings Ltd (“**Incredible**” or “**the Group**”), which is in the electronics industry distribution, luxury goods trading and loan financing business, is pleased to announce that it had signed a SPA to enter into a proposed acquisition of a 42.0% stake in the Target for HK\$84.0 million. The proposed acquisition is in line with the Group’s strategy to build and develop an eCommerce and e-Marketplace luxury products platform with distribution omnichannels in retail shops, online websites and mobile apps platforms; serving and matching luxury enthusiasts across different countries.

About the Golden Ultra Limited

Operating in Hong Kong as a private limited company since 2016 and through the Target’s wholly owned subsidiary, CKLY Trading Limited (“**CKLY**”), GUL is in the business of trading luxury watches via an online platform known as www.bestwatch.com.hk, which sells various luxury watch brands to customers in Hong Kong and other countries. In addition to an experienced and competent team of 15

¹ Based on an exchange rate of S\$1.00:HK\$5.74 on 15 October 2021

professionals, CKLY also possessed an extensive network of suppliers, dealers and customers over the years.

CKLY had been profitable for the last five years and has been expanding its omnichannels to attract customers online and through its shop and office front based in Hong Kong. Based on a 42.0% stake and as of 30 June 2021, CKLY had a NTA value of HK\$4.7 million (or S\$0.8 million¹) and generated a NPAT of HK\$1.2 million (or S\$0.2 million¹) for the six months ended 30 June 2021 (“HY2021”).

To secure the proposed acquisition of the Target, the Group will issue a promissory note of S\$84.0 million due 30 September 2022. The promissory note can only be redeemed by the Group at any time within 14 business days of notice to the noteholder and upon full repayment of the principal amount plus any accrued outstanding interest paid.

The Group intends to fund the proposed acquisition through raising funds in the capital markets. However, the proposed acquisition of GUL is still subject to obtaining further approvals from the relevant authorities, its Board of Directors, shareholders’ approval at an Extraordinary General Meeting (“EGM”) and completion of a due diligence process. The Group will update shareholders via SGXNet accordingly on the date of the upcoming EGM and when any material developments on future corporate actions arise.

According to a valuation report² completed on 18 October 2021 by an independent third-party valuer, FT Consulting Limited, a 42.0% stake in GUL is valued at approximately HK\$58.1 million (or S\$10.1 million¹) as of 30 June 2021. The proposed acquisition once completed would have represented a premium of approximately 44.62% over its valuation.

Commenting on the proposed acquisition of GUL, Mr. Christian Kwok-Leun Yau Heilesen, Executive Director of Incredible, said: ***“We are delighted to announce our intention to acquire a 42.0% stake in GUL, furthering our luxury watch trading portfolio in the region. The proposed acquisition is also in line with our core strategy to expand our luxury watch trading business geographically. According to Bain & Co., sales for personal luxury goods is expected to grow at 10% per annum from 2020 to***

² Prepared in accordance with RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors and International Valuation Standards published by the International Valuation Standards Council.

2025³. With an established and scalable platform like CKLY's, our Group is well poised to ride on the growth in the luxury goods segment moving forward. ”

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About Incredible Holdings Ltd (SGX code : RDR)

Incredible Holdings Ltd. and its subsidiaries (the “Group”) focus its core business on the distribution of equipment and consumable materials for the electronics industry in Singapore, the trading of luxury goods in Europe and Asia, and loan financing business in Hong Kong.

Issued for and on behalf of Incredible Holdings Ltd

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This press release 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 press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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³ Bain & Co., 19th edition of the Bain & Company Luxury Study, 2020