

**ENTRY INTO OF SHARE SALE AND PURCHASE AGREEMENT IN RELATION TO THE  
PROPOSED ACQUISITION OF THE ENTIRE SHARE CAPITAL IN 2021 HB APS BY  
INCREDIBLE HOLDINGS LTD.**

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The Board of Directors of Incredible Holdings Ltd. (the “**Company**” and together with its subsidiaries the “**Group**”) wishes to announce that the Company, through its wholly owned subsidiary Central Capital ApS (“**Central Capital**”), had on 9 June 2021 entered into a share sale and purchase agreement with Wingfort ApS (the “**Seller 1**”) and LHA ApS (the “**Seller 2**”) who are the shareholders each holding 50% in the HB 2021 ApS (the “**Target**”), a private company incorporated in Denmark on 2 December 2020 (the “**Share Sale and Purchase Agreement**”) to acquire the entire share capital in the Target by Central Capital (the “**Proposed Acquisition**”).

Seller 1 and Seller 2 are independent third parties and they are not related to any Directors or shareholders of the Company.

Information on the Proposed Acquisition

The Target is a company with limited liability, incorporated in the Denmark on 2 December 2020 with an existing registered capital of DKK40,000 (equivalent to approximately S\$8,600), 100% of which is held by the Sellers. The Target's principal business is in retail sale of watches, jewelry and gold and silver articles. The Target is operating a 473 sq meter store located in Bredgade 19, 1260 Copenhagen, Denmark which is one of the most sought-after premises in Copenhagen. The store is top secured with armor and bulletproof windows, security lock and alarms, monitoring by CCTV, 3 large safety boxes for valuable values. According to the latest available management accounts as at 30 April 2021 (the Target was incorporated on 2 December 2020), the Target is in a net liabilities position of DKK23,262 (equivalent to approximately S\$5,000).

The total annual rent of the store is DKK1,140,700 (equivalent to approximately S\$247,000).

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

Consideration of the Proposed Acquisition

The consideration of the Proposed Acquisition (“**Consideration**”) will be DKK5,200,000 (or equivalent to approximately S\$1,128,000), payable by the Company to the Sellers by 1) cash of DKK1,200,000 (equivalent to approximately S\$260,000) upon completion; 2) 7 instalments of DKK200,000 (equivalent to approximately S\$43,000) per month following the completion and 3) issuance of promissory note of DKK2,600,000 (equivalent to approximately S\$564,000) to Sellers. Each payment from the Company to the Sellers shall be split in two equal parts to be paid to Seller 1 and Seller 2 respectively with the consequence that Seller 1 and Seller 2 shall receive the same monthly payments from the Company.

The consideration would be settled by the proceeds received from the rights issue completed in February 2021. The Consideration was arrived at after arms' length negotiations between the Company and the Sellers on a willing seller and willing buyer basis and taking into consideration the renovation, security system installed and a good location of the store leased by the Target. The tenancy agreement of the store leased by the Target is not limited in time. No valuation was conducted in relation to the Proposed Acquisition. The Proposed Acquisition will result in goodwill of approximately S\$1.1 million.

Conditions precedent attached to the Proposed Acquisition

- (a) The Buyer shall conduct and complete the due diligence of the Company within 10 business days from the date of this Agreement and satisfy (such satisfaction shall not be unreasonably denied/withheld) that there will be no material adverse changes of what has been represented by the Sellers in this Agreement; and
- (b) The Buyer shall pay the Consideration to the Sellers in the manner and upon the time as agreed and required in the Agreement

Save as disclosed above, there are no other material terms and conditions attached to the Proposed Acquisition.

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Completion

Completion of the Proposed Acquisition shall take place on the later of 30 June 2021 or after the Conditions Precedent shall have been fulfilled.

The rationale of the Proposed Acquisition

The Board believes that the Proposed Acquisition is in the interest of the Company so that the Group can explore and/or expand its trading of luxury goods business in Denmark to enhance its future value. The Board also believes that there would be time savings to purchase the Target from the Sellers as the store is ready for operations immediately.

Financial effects of the Proposed Acquisition

The pro forma financial effects of the Proposed Acquisition on the Group set out below are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Group. The financial effects set out below have been prepared based on the audited consolidated financial statements of the Group for FY2020 on the following basis:

- (i) the effect of the Proposed Acquisition on the earnings per share ("EPS") or losses per share ("LPS") of the Group is based on the assumption that the Proposed Acquisition had been effected at the beginning of FY2020 (being 1 January 2020); and
- (ii) the effect of the Proposed Acquisition on the consolidated net tangible assets("NTA") per share of the Group shown below is based on the assumption that the Proposed Acquisition had been effected at the end of FY2020 (being 31 December 2020).

(a) LPS

The effects of the Proposed Acquisition on the EPS/(LPS) of the Group for FY2020 is as follows:-

|                            | <b>Before the Proposed Acquisition</b> | <b>After the Proposed Acquisition</b> |
|----------------------------|----------------------------------------|---------------------------------------|
| <b>FY2020</b>              |                                        |                                       |
| Net loss (S\$'000)         | 4,124                                  | 4,138                                 |
| LPS (cents) <sup>(1)</sup> | 1.38                                   | 1.38                                  |

Notes:-

(1) The LPS is calculated by dividing the net loss after tax attributable to equity holders of the Company by the weighted average number of ordinary shares in issue of 299,843,943.

(b) NTA

The effects of the Proposed Acquisition on the NTA per share of the Group as at 31 December 2020 is as follows:-

|                      | <b><u>Before the Proposed Acquisition</u></b> | <b><u>After the Proposed Acquisition</u></b> |
|----------------------|-----------------------------------------------|----------------------------------------------|
| <b><u>FY2020</u></b> |                                               |                                              |

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|                                            |      |        |
|--------------------------------------------|------|--------|
| NTA/(NTL) (S\$'000)                        | 836  | (293)  |
| NTA/(NTL) per share (cents) <sup>(1)</sup> | 0.28 | (0.10) |

Notes:-

(1) NTA per share is calculated based on 299,843,943 ordinary shares outstanding as at 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 Catalyst ("Catalist Rules")

For the purposes of Chapter 10 of the Catalyst Rules, the relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalyst Rules based on the latest announced consolidated financial statements of the Group for FY2020 are as follows:

| Rule 1006 | Proposed Acquisition of the Target                                                                                                                                     | %                             |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| (a)       | The net asset value of the assets to be disposed of compared with the group's net asset value.                                                                         | Not Applicable <sup>(1)</sup> |
| (b)       | The net profits attributable to the assets acquired or disposed compared with the Group's consolidated net profits.                                                    | 0.33% <sup>(2)</sup>          |
| (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. | 7.54% <sup>(3)</sup>          |
| (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) Rule 1006(a) of the Listing Manual is not applicable to an acquisition of assets.
- (2) The net profits used for the computation is taken from the loss before income tax, minority interests, and extraordinary items. The Group recorded a pre-tax loss of approximately S\$4.1 million for FY2020 and the Target recorded a pre-tax loss of DKK63 thousand for the period year ended 30 April 2021 (based on the latest available management accounts).
- (3) The market capitalization has been computed based on the Company's issued Share capital comprising 2,993,532,545 Shares and the weighted average price for the Company's shares on 8 June 2021, being the last trading day preceding the date of the Share Sale and Purchase Agreement dated 9 June 2021, of S\$0.005 per Share.

Based on the above figures and pursuant to Rule 1010 and Practice Note 10A of the Catalyst Rules, the Proposed Acquisition constitutes a discloseable transaction under Chapter 10 of the Catalyst Rules.

Service contracts

Christian Kwok-Leun Yau Heilesen, the Executive Director of the Company is proposed to be appointed as a director of the Target in connection with the Proposed Acquisition.

Interested person transactions

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

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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 Acquisition, 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 June 2021

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*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.*