



## Incredible Holdings Ltd.

(Incorporated in the Republic of Singapore)  
(Company Registration Number 199906220H)

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### Proposed Acquisition of Gadmobе Group – Entry into Share Purchase Agreement

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#### Introduction

The Board of Directors (the “**Board**”) of Incredible Holdings Ltd. (the “**Company**” or the “**Purchaser**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 27 October 2021 entered into a share purchase agreement (the “**Share Purchase Agreement**”) with Mr Tam Ki Ying (the “**Vendor**”) in relation to, *inter alia*, the acquisition of 15 shares (the “**Sale Shares**”) in the Target (as defined below), representing 15% of the issued share capital of the Target, for a consideration of HK\$18 million (equivalent to approximately S\$3.1 million) (the “**Proposed Acquisition**”). Upon completion of the Proposed Acquisition, the Company will hold 15 ordinary shares representing 15% of the issued share capital of the Target.

The Vendor, Mr Tam Ki Ying, is an independent third party and is not related to any of the directors or substantial shareholders of the Company.

#### Proposed Restructuring Exercise For the Target Group

In connection with the Proposed Acquisition, the Vendor shall undertake a proposed restructuring exercise (the “**Proposed Restructuring Exercise**”) where:

- (a) The Vendor shall incorporate a private limited company in the British Virgin Islands with an issued share capital of US\$100 comprising 100 shares (the “**Target**”). The Vendor shall hold 100 shares in the Target, representing 100% of the issued share capital of the Target.
- (b) The Vendor shall transfer 10,000 shares in Sasha Lab Limited, representing 100% of the issued share capital of Sasha Lab Limited, to the Target.
- (c) The Vendor shall procure the transfer of 1,000,000 shares in Gadmobе Interactive Limited, representing 100% of the issued share capital of Gadmobе Interactive Limited, from Pharos Holdings Group Limited to the Target.
- (d) The Vendor shall procure the transfer of 1,000 shares in COD Centre Pte. Ltd., representing 100% of the issued share capital of COD Centre Pte. Ltd., from Pharos Holdings Group Limited to the Target.
- (e) The Vendor shall transfer one share in Bass of Hala OÜ, representing 100% of the issued share capital of Bass of Hala OÜ, to the Target.

The Target, Sasha Lab Limited, Gadmobе Interactive Limited, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), COD Centre Pte. Ltd. and Bass of Hala OÜ shall hereinafter collectively be referred to as “**Gadmobе Group**” or “**Target Group**” and each a “**Target Group Company**”.

The corporate structure as at the date of this announcement is set out in Appendix 1 and the corporate structure for the Target Group after completion of the Proposed Restructuring Exercise is set out in Appendix 2.

## **Information on Gadmobee Group**

*The information on Gadmobee Group provided below was provided to the Company by Gadmobee Group. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below and will perform due diligence in due course. For purpose of this announcement, the Board's responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.*

### Corporate Information

Sasha Lab Limited, Gadmobee Interactive Limited, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd) and Bass of Hala OÜ are principally in the business of providing information technology services and digital advertising, have e-commerce operations. COD Centre Pte. Ltd. is principally in the business of providing value-added logistic services and developing e-commerce applications.

(a) *Sasha Lab Limited*

Sasha Lab Limited is a private limited company incorporated in Hong Kong on 8 October 2015 and has an issued share capital of HK\$10,000 comprising 10,000 shares as at the date of this announcement.

Sasha Lab Limited engages in online payment services via partnership with mobile network operators, primarily in Southeast Asia region. The company provides online payment solution to customers who do not have access to credit cards. Sasha Lab Limited operates across 90 digital payment gateways and reaches up to 190 markets worldwide.

(b) *Gadmobee Interactive Limited*

Gadmobee Interactive Limited is a private limited company incorporated in Hong Kong on 17 October 2012 and has an issued share capital of HK\$10,000 comprising 1,000,000 shares as at the date of this announcement. Gadmobee Interactive Limited has a wholly owned subsidiary, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), which is a private limited company incorporated in People's Republic of China on 23 September 2015 and which has an issued share capital of RMB100,000 comprising 100,000 shares as at the date of this announcement.

Gadmobee Interactive Limited is one of the new entrants in the digital advertising industry which hopes to disrupt the digital advertising industry with its data-driven technologies. Gadmobee Interactive Limited's partners are able to leverage on its robust and versatile solutions to maximise customer engagement and advertising revenue.

*廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd) is principally in the business of providing research and development for all of Gadmobee Group's projects in the areas of digital advertising exchanges, online payment solutions, mobile content management systems ("CMS"), e-commerce enterprise resource planning ("ERP") systems and many others. 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd) has access to a large pool of cost-efficient personnel with advanced computing skills and e-commerce experience.*

(c) *COD Centre Pte. Ltd.*

COD Centre Pte. Ltd. is a private limited company incorporated in Singapore on 4 December 2019 and has an issued share capital of S\$1,000 comprising 1,000 shares as at the date of this announcement.

COD Centre Pte. Ltd. is an e-commerce company based in Singapore that utilises its turnkey platform to provide fulfilment solutions to merchants in Southeast Asia and worldwide. COD Centre Pte. Ltd. uses big data technologies to optimise merchants' e-commerce businesses thus allowing merchants to reduce delivery costs within minimal downtime. COD Centre Pte. Ltd. principal activity is value added logistics providers with development of e-commerce applications. The company provides a way for users who do not have a credit or debit card to order products online or until the customer receives and pays.

(d) *Bass of Hala OÜ*

Bass of Hala OÜ is a private limited company incorporated in Estonia on 26 December 2017 and has an issued share capital of €2,500 comprising one share as at the date of this announcement.

Bass of Hala OÜ is a fast-growing digital content company based in Estonia which does digital content distribution in the European market. Bass of Hala OÜ has a high digital content library comprising mobile games, short videos, mobile applications and ebooks which are accessible cross-platform (phones, tablets and desktops) at any time and any place.

#### Financial Information

Based on the pro forma combined financial statements of Gadmobee Group for the six months ended 30 June 2021:

- (a) the aggregate book value of the Sale Shares was approximately HK\$0.8 million (equivalent to approximately S\$0.14 million) as at 30 June 2021;
- (b) the aggregate NTA value represented by the Sale Shares was approximately HK\$0.8 million (equivalent to approximately S\$0.14 million) as at 30 June 2021; and
- (c) the aggregate net profits attributable to the Sale Shares was approximately HK\$0.3 million (equivalent to approximately S\$57 thousand) for the six months ended 30 June 2021.

Based on the pro forma combined financial statements of Gadmobee Group for the six months ended 30 June 2021 and assuming that (a) the Vendor has repaid all loans made by the Target Group Companies to the Vendor, which in aggregate amount to approximately HK\$10.6 million (equivalent to approximately S\$1.8 million) as at the date of the Share Purchase Agreement; and (b) the Target Group Companies has declared dividends, which in aggregate amount to approximately HK\$9.3 million (equivalent to approximately S\$1.6 million), to the Vendor<sup>1</sup>:

- (i) the aggregate book value of the Sale Shares would be approximately **negative** HK\$0.6 million (equivalent to approximately negative S\$0.1 million) as at 30 June 2021;
- (ii) the aggregate NTA value represented by the Sale Shares would be approximately **negative** HK\$0.6 million (equivalent to approximately negative S\$0.1 million) as at 30 June 2021; and

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<sup>1</sup> Please refer to the sub-section titled "Loans to be repaid by Vendor and Dividends to be declared to Vendor" under the section titled "Principal Terms of the Share Purchase Agreement" for further information on the loans to be repaid by the Vendor and the dividends to be declared to the Vendor.

- (iii) the aggregate net profits attributable to the Sale Shares would be approximately HK\$0.3 million (equivalent to approximately S\$57 thousand) for the six months ended 30 June 2021.

#### Valuation

The Company has commissioned CHFT Advisory and Appraisal Ltd. (the “**Independent Valuer**”), a licensed firm under Royal Institution of Chartered Surveyors (“RICS”) which provides solutions in real estate consultancy, business and market research consultancy, property and business valuation and environmental, social and governance (“ESG”) / sustainability advisory services, to conduct an independent valuation on the market value of the 100% equity interest of Sasha Lab Limited, Gadmob Interactive Limited, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), COD Centre Pte. Ltd., and Bass of Hala OÜ. According to the valuation report dated 27 October 2021 issued by the Independent Valuer (the “**Valuation Report**”):

- (a) The Independent Valuer confirmed that it has made relevant enquiries and obtained such further information as it considers necessary for the purpose of providing its opinion of the market value of the 100% equity interest of Gadmob Group.
- (b) The valuation was prepared in line with the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors (“RICS”) and the International Valuation Standards (“IVS”) published by the International Valuation Standards Council.
- (c) The valuation is based on market value and market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion” which is in line with the requirements of IVS.

- (d) There are three generally accepted valuation approaches sourced from the International Valuation Standard 105 – Valuation Approaches and Methods, namely, the cost approach, the market approach and the income approach. In the valuation, the cost approach was not considered applicable as it failed to capture the future earning potential of Gadmobee Group. The market approach was also not adopted as the business of Gadmobee Group is still at an expansion stage and the market approach has significant limitations in accurately quantifying future growth. After consideration, the Independent Valuer has adopted the income approach as the primary valuation method in the valuation. The Independent Valuer considered the income approach to be appropriate as the income approach captures all future benefits of Gadmobee Group via financial projections and such economic benefits are then discounted back to the present date by a discount rate that properly reflects the business risks.
- (e) The discounted cash-flow method is premised on the concept that the value is based on the present value of all future benefits that flow to the shareholders by applying an appropriate discount rate. In the present case, the future benefits generated by Gadmobee Group mainly consist of the profit earned. In essence, the discounted cash-flow method requires a forecast to be made of cash-flow, going out far enough into the future until an assumed stabilisation occurs for the assets being appraised. The discounted cash-flow method assumes that the forecasted income / cash-flow will not necessarily be stable in the near term but will stabilise in the future.
- (f) Based on the valuation methodology adopted, the Independent Valuer is of the opinion that the market value of the 100% equity interest of Gadmobee Group, as at 30 June 2021, was HK\$80,750,000 (equivalent to approximately S\$14.1 million), including amount due from the Vendor pursuant to the loans made by the Target Group Companies to the Vendor<sup>2</sup>.

## Rationale

The Proposed Acquisition is part of the Group's corporate strategy with a view to have diversified returns and the potential for long-term growth. The Board believes that the Proposed Acquisition will provide the Group with new revenue streams and improve its prospects, and in turn, enhance shareholder's value. In particular, the Board believes that the e-commerce business (which the Target Group is operating in) will:

- (a) complement the Group's existing businesses by (i) expanding the Group's core businesses into new markets utilising the Target Group's payment footprint; (ii) optimising the Group's core businesses utilising the Target Group's big data technologies; and (iii) expanding the Group's client portfolio leveraging on the Target Group's advertising and e-commerce channels; and
- (b) provide the Group with an additional revenue stream to offset the Group's operating expenses in the event that any of the Group's existing business are impacted by COVID-19 or otherwise.

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<sup>2</sup> Please refer to the sub-section titled "Loans to be repaid by Vendor and Dividends to be declared to Vendor" under the section titled "Principal Terms of the Share Purchase Agreement" for further information on the loans to be repaid by the Vendor.

## Consideration

The consideration for Proposed Acquisition is HK\$18.0 million (equivalent to approximately S\$3.1 million) (the “**Consideration**”). The Consideration shall be paid to the Vendor:

- (a) by way of promissory notes which shall bear no interest (the “**Promissory Notes**”) in which the Company promises to pay S\$3.1 million to the Vendor in accordance with the terms of the Promissory Notes; or
- (b) such other payment method as the Company and the Vendor may agree in writing.

The Consideration was arrived at arm’s length and on a willing-buyer-willing-seller basis after taking into account, *inter alia*, the following:

- (a) the market value of the 15% equity interest of Target Group set out in the Valuation Report;
- (b) the aggregate net profits attributable to the Sale Shares set out in the pro forma combined financial statements of Gadmob Group for the financial year ended 30 June 2021;
- (c) the agreement between the Company and the Vendor that (i) the Vendor shall repay all loans made by the Target Group Companies to the Vendor, which in aggregate amount to approximately HK\$10.6 million (equivalent to approximately S\$1.8 million) as at the date of the Share Purchase Agreement, by 30 June 2022; and (ii) the Target Group Companies shall declare dividends, which in aggregate amount to approximately HK\$9.3 million (equivalent to approximately S\$1.6 million), to the Vendor by 30 June 2022; and
- (d) the prevailing economic conditions.

### Rationale for Premium over the Valuation

The Independent Valuer was commissioned to conduct an independent valuation on market value of the 100% equity interest of Gadmobee Group. The market value of the 100% equity interest of Gadmobee Group indicated in the Valuation Report does not take into account benefits to the Group arising from the Proposed Acquisition. Other reasons for the premium over the valuation include but is not limited to the following:

- (a) The Group may leverage on Gadmobee Group's proprietary systems to aid in the Group's daily operations and business intelligence as well as the Group's expansion into the e-commerce business.
- (b) Gadmobee Group has a team of 30 employees with years of experience in advertising, payment, logistics, sourcing and programming which are essential in a global e-commerce business.
- (c) Gadmobee Group has a large network of suppliers, customers, marketers, payment gateways and logistics networks, and long business relationships with such suppliers, customers, marketers, payment gateways and logistics networks.
- (d) Gadmobee Group may leverage on the Group's financial resources and capabilities to rapidly expand its e-commerce business globally, including an expansion of its setup as well as an expansion of its existing e-commerce website and fashion brand.
- (e) The Proposed Acquisition makes sense economically – there are time and cost savings for the Group to acquire Gadmobee Group which has a profitable track record and use its financial resources and capabilities to rapidly expand Gadmobee Group's e-commerce business.
- (f) Building a fresh e-commerce business with no track record will take time and management resources from the Group, and there are significant costs and risks for the Group to build fresh e-commerce business itself. Furthermore, there is no certainty that the Group will be able to achieve a good or profitable outcome. The Proposed Acquisition will shortcut the road to profitability of the Group's e-commerce business while enabling the Group to leverage on Gadmobee Group's existing setup, human resources, skills and capabilities.
- (g) The Consideration shall be paid to the Vendor by way of Promissory Notes. Accordingly, the Consideration does not need to be satisfied immediately out of the Group's existing capital and cash resources and enables the Company to enter into the Share Purchase Agreement without straining the cash-flow of the Group in the short term.
- (h) The Proposed Acquisition enables the Group to leverage on Gadmobee Group's existing China office and setup to enter the China market as well as the significant human resources which Gadmobee Group has in its China office to source for products for the Group's future e-commerce business which has time and cost efficiencies given the close proximity to major suppliers of such products.

The Board is of the view that the Proposed Acquisition will provide the Group with new revenue streams and improve its prospects, and is part of the Group's corporate strategy to have diversified returns and the potential for long-term growth.

### **Source of Funds**

The Consideration of HK\$18.0 million (equivalent to approximately S\$3.1 million) to be paid to the Vendor by way of the Promissory Notes and the estimated costs and expenses to be incurred in connection with the Proposed Acquisition of S\$50,000 shall be funded either through:

- (a) loans from controlling shareholders of the Company;
- (b) fund raising exercises such as an issue of additional equity securities by way of a rights issue, placement or otherwise; or
- (c) a combination of both.

## **Principal Terms of the Share Purchase Agreement**

According to the Share Purchase Agreement:

### (a) Conditions Precedent

The obligations of the Purchaser and the Vendor (the "**Parties**") under the Share Purchase Agreement are conditional upon, and completion shall not take place until, all the following conditions precedent have been fulfilled:

- (i) the Vendor having procured all necessary approvals from the board of directors and/or the shareholders of the Target Group Companies in connection with the Share Purchase Agreement and the transactions contemplated therein, including but not limited to:
  - (a) the transfer of the Sale Shares to the Purchaser and/or its nominees;
  - (b) the cancellation of old share certificates in respect of the Sale Shares in the name of the Vendor and the issuance of new share certificates in respect of the Sale Shares in favour of the Purchaser and/or its nominees; and
  - (c) the lodgment of the required statutory returns with the relevant regulatory authority and the registration of the Purchaser and/or its nominees in the register of members of the Target as the holder of the Sale Shares,and such approvals not having been amended or revoked before the Completion Date;
- (ii) the Purchaser having obtained all necessary approvals from its board of directors in connection with the Share Purchase Agreement and the transactions contemplated therein, and such approvals not having been amended or revoked before the completion date;
- (iii) the Purchaser being reasonably satisfied with the results of the due diligence investigations (legal, financial, tax or otherwise) conducted on the Target Group;
- (iv) the Vendor having procured the rectification by the Target Group Companies of all issues and/or irregularities uncovered during the due diligence investigations to the reasonable satisfaction of the Purchaser;
- (v) the Vendor having procured the completion of the Proposed Restructuring Exercise;
- (vi) the Vendor having procured the change in financial year end of the Target Group Companies to 31 December;



- (vii) the Purchaser being reasonably satisfied that there has been no material adverse change, or events, acts or omissions likely to lead to a material adverse change, in the business, operations, assets, financial condition and/or prospects of the Target Group;
- (viii) each of the representations, warranties and undertakings given by the Vendor remaining true and accurate in all material respects as at the completion date (by reference to the facts and circumstances then subsisting) with the same force and effect as if repeated on the completion date;
- (ix) the Vendor obtaining all necessary consents, approvals and waivers in respect of any right of pre-emption or any other restriction conferred under the constitutions of the Target Group Companies or otherwise in relation to the sale and purchase of the Sale Shares to the Purchaser and/or its nominees, and such consents, approvals and waivers not having been amended or revoked before the completion date; and
- (x) all necessary consents, approvals and waivers where required for the transactions contemplated under the Share Purchase Agreement (including third party, governmental and regulatory consents, approvals and waivers) having been obtained by the Purchaser and the Vendor, and such consents, approvals and waivers not having been amended or revoked before the completion date, and if any such consents, approvals or waivers are subject to conditions, such conditions being fulfilled on or before the completion date.

(b) Long Stop Date

“**Long Stop Date**” means 12 months from the date of the Share Purchase Agreement, or such other later date as the Parties may agree in writing.

If any of the conditions precedent above is not fulfilled on or before 5.00 p.m. on the Long Stop Date and such non-fulfilment is not waived by the party who has the benefit of such condition precedent, the Share Purchase Agreement shall lapse and no party shall have any claim against the other party under the Share Purchase Agreement, save for any claim arising from antecedent breaches of the Share Purchase Agreement.

(c) Loans to be repaid by Vendor and Dividends to be declared to Vendor

The Purchaser and the Vendor have agreed that:

- (i) The Vendor shall repay all loans made by the Target Group Companies to the Vendor, details of which are set out below, by 30 June 2022.
  - (aa) An interest free loan of HK\$7.0 million extended by Gadmob Interactive Limited to the Vendor for a period of five years (the “**Gadmob Interactive Loan**”). The outstanding sum under the Gadmob Interactive Loan amounts to HK\$5.6 million (equivalent to approximately S\$1.0 million) as at the date of the Share Purchase Agreement.
  - (bb) An interest free loan of HK\$5.3 million extended by Sasha Lab Limited to the Vendor for a period of five years (the “**Sasha Lab Loan**”). The outstanding sum under the Sasha Lab Loan amounts to HK\$4.6 million (equivalent to approximately S\$0.8 million) as at the date of the Share Purchase Agreement.

(ii) The Target Group Companies shall declare dividends, details of which are set out below, to the Vendor by 30 June 2022.

(aa) A dividend of HK\$5,934,745 (equivalent to approximately S\$1.0 million) by Gadmobe Interactive Limited to the Vendor.

(bb) A dividend of HK\$543,346 (equivalent to approximately S\$0.1 million) by COD Centre Pte. Ltd. to the Vendor.

(cc) A dividend of HK\$2,797,658 (equivalent to approximately S\$0.5 million) by Bass of Hala OÜ to the Vendor.

(d) Indemnity

The Vendor has agreed to indemnify, defend and hold harmless the Purchaser (and its directors, officers, employees, agents, representatives, affiliates, successors and assigns) or at the Purchaser's option, the Target Group, from and against any and all losses, liabilities, fines, penalties, costs (including legal or arbitral costs, advisors', experts' and consultants' fees and costs of enforcement of any settlements, judgments or arbitral awards), charges, expenses, actions, proceedings, investigations, claims and demands which the Purchaser or the Target Group (as the case may be) may at any time and from time to time sustain, incur or suffer by reason of:

- (i) any non-compliance by the Target Group with applicable laws and regulations; and
- (ii) any breach by the Vendor of its representations, warranties and undertakings contained in the Share Purchase Agreement.

(e) Costs and Expenses

Each party shall bear and be responsible for its respective costs and expenses incurred in relation to the negotiation, preparation, finalisation, execution and performance of the Share Purchase Agreement and the transactions contemplated therein.

The Purchaser shall bear the cost of all notarial fees and all registration, stamp and transfer taxes and duties or their equivalents in all jurisdictions where such fees, taxes and duties are payable as a result of the transactions contemplated by the Share Purchase Agreement. The Purchaser shall be responsible for arranging the payment of all such fees, taxes and duties, including fulfilling any administrative or reporting obligation imposed by the jurisdiction in question in connection with the payment of such fees, taxes and duties.

(f) Governing Law and Jurisdiction

The Share Purchase Agreement shall be governed by, and construed in accordance with, the laws of Singapore.

Any dispute arising out of or in connection with the Share Purchase Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre ("SIAC") in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of arbitration shall be Singapore. The Tribunal shall consist of one arbitrator. The language of the arbitration shall be English. This clause is governed by the laws of Singapore.

## Disclosures by the Vendor

The Vendor has disclosed that:

- (a) The Target Group Companies have outstanding loans which will remain with the Target Group Companies after completion of the sale and purchase of the Sale Shares. The aggregate outstanding sum (principal plus interest) under these loans amounts to approximately HK\$14.6 million (equivalent to approximately S\$2.54 million) as at the date of the Share Purchase Agreement.
- (b) The Vendor had on 11 October 2021 entered into a share purchase agreement with Ntegrator International Ltd. in relation to, *inter alia*, the acquisition of 85 shares in the Target, representing 85% of the issued share capital of the Target, through Cyber Sail Global Limited, a wholly-owned subsidiary of Ntegrator International Ltd..

## Principal Terms of the Promissory Notes

According to the terms of the Promissory Notes:

- (c) Form, Denomination and Title

Each Promissory Note is issued in registered form, serially numbered and in the denomination of S\$1.00 each.

The Promissory Notes are represented by registered certificates (“**Certificates**”) and, save as provided, each Certificate shall represent the entire holding of Promissory Notes by the same holder.

“**Noteholder**” means the person in whose name a Promissory Note is registered in the register.

- (d) Transfer

One or more Promissory Notes may be transferred by giving the Company 14 business days’ notice in writing and the date falling on the 14th business day after the date of receipt of the transfer notice shall be the “**Elected Transfer Date**”. On the Elected Transfer Date, the Certificate representing such Promissory Notes to be surrendered shall be surrendered (at the registered office of the Company), together with the form of transfer endorsed on such Certificate, duly completed and executed. No transfer of title to any Promissory Note will be valid or effective unless and until entered on the register.

In the case of a transfer of part only of a holding of Promissory Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor, provided that, in the case of a transfer of Promissory Notes to a person who is already a holder of Promissory Notes, a new Certificate representing the enlarged holding shall only be issued against the surrender of the Certificate representing the existing holding.

(e) Restrictions on Transfer

No Promissory Note may be transferred by a Noteholder without the prior written consent of the Company (such consent not to be unreasonably withheld).

(f) Status

The Promissory Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall at all times rank *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Company, save for such exceptions as may be provided by mandatory provisions under applicable laws and regulations.

(g) Interest

The Promissory Notes shall bear no interest and no interest shall accrue on the Promissory Notes.

(h) Redemption

The Company may give a Noteholder 14 business days' notice in writing to redeem one or more Promissory Notes held by that Noteholder at 100% of their principal value without cost or penalty at any time after such Promissory Notes were issued, and the date falling on the 14th business day after the date of receipt of the redemption notice shall be the "**Elected Redemption Date**". On the Elected Redemption Date, the Certificate representing such Promissory Notes to be redeemed shall be surrendered (at the registered office of the Company).

In the case of a redemption of part only of a holding of Promissory Notes represented by one Certificate, a new Certificate in respect of the balance of the holding not redeemed shall be issued to the Noteholder.

For the avoidance of doubt, the Promissory Notes are not redeemable at the option of the Noteholders.

(i) Maturity

If any of the Promissory Notes are not redeemed by the date falling two years from the date on which they were issued (the "**Maturity Date**"), the Company shall redeem such Promissory Notes at 100% of their principal value without cost or penalty on the Maturity Date. On the Maturity Date, the Certificate representing such Promissory Notes shall be surrendered (at the registered office of the Company).

(j) Governing Law and Jurisdiction

The Promissory Notes are governed by, and shall be construed in accordance with, the laws of Singapore.

Any dispute arising out of or in connection with the Promissory Notes, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre ("**SIAC**") in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") for the time being in force, which rules are deemed to be incorporated by reference in

this condition. The seat of arbitration shall be Singapore. The Tribunal shall consist of one arbitrator. The language of the arbitration shall be English. This condition is governed by the laws of Singapore.

## Relative Figures

The relative figures computed on the bases set out in Catalist Rule 1006 for the Proposed Acquisition are as follows:

Catalist Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. <sup>(1)</sup>	Not Applicable <sup>(2)</sup>
Catalist Rule 1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. <sup>(3)</sup>	(4.83)% <sup>(4)</sup>
Catalist Rule 1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	28.08% <sup>(5)</sup>
Catalist Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable <sup>(6)</sup>
Catalist Rule 1006(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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not Applicable <sup>(7)</sup>

### Notes:

- (1) "Net assets" means total assets less total liabilities.
- (2) The Proposed Acquisition is an acquisition of assets not a disposal of assets.
- (3) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income and non-controlling interests.
- (4) Based on the pro forma combined financial statements of Gadmobee Group for the six months ended 30 June 2021, the aggregate net profits attributable to the Sale Shares was approximately HK\$0.3 million (equivalent to approximately S\$57 thousand) which represents approximately (4.83)% of the Group's net loss of approximately S\$1.2 million for the six months ended 30 June 2021.
- (5) The Consideration is HK\$18 million (equivalent to approximately S\$3.1 million) which represents approximately 28.08% of the Company's market capitalisation of approximately S\$11.2 million on 26 October 2021, being the last full market day on which trades were done preceding the date of the Share Purchase Agreement. The Company's market capitalisation was determined by multiplying the number of shares the Company has in issue (2,993,532,545 shares) by the weighted average price of such shares of S\$0.00373 transacted on 26 October 2021.
- (6) No equity securities will be issued by the Company in connection with the Proposed Acquisition.
- (7) The Company is not a mineral, oil and gas company. The Proposed Acquisition is an acquisition of assets not a disposal of assets.

As one of the relative figures computed on the bases set out in Catalyst Rule 1006 exceeds 5% but is less than 75%, the Proposed Acquisition is classified as a “discloseable transaction” under Catalyst Rule 1010. The information required in Catalyst Rule 1010 has been disclosed accordingly.

## Financial Effects

The financial effects of the Proposed Acquisition on the NTA per share and the EPS of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

For the purpose of illustrating the financial effects, the financial effects have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects on the NTA per share of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2020;
- (b) the financial effects on the EPS of the Group are computed assuming that the Proposed Acquisition was completed on 1 January 2020; and
- (c) the costs and expenses in connection with the Proposed Acquisition shall be disregarded.

### Financial Effects on NTA per Share of the Group

	<b>Before Completion of the Proposed Acquisition</b>	<b>After Completion of the Proposed Acquisition</b>	<b>After Completion of the Proposed Acquisition Adjusted<sup>(1)</sup></b>
NTA as at 31 December 2020 (S\$'000)	836	836	836
Number of shares in the Company, excluding treasury shares and subsidiary holdings	299,843,943	299,843,943	299,843,943
NTA per share of the Group (Singapore cents)	0.28	0.28	0.28

#### **Notes:**

- (1) Assuming that (a) the Vendor has repaid all loans made by the Target Group Companies to the Vendor, which in aggregate amount to approximately HK\$10.6 million (equivalent to approximately S\$1.8 million) as at the date of the Share Purchase Agreement; and (b) the Target Group Companies has declared dividends, which in aggregate amount to approximately HK\$9.3 million (equivalent to approximately S\$1.6 million), to the Vendor, before completion of the Proposed Acquisition.

### Financial Effects on EPS of the Group

	<b>Before Completion of the Proposed Acquisition</b>	<b>After Completion of the Proposed Acquisition</b>	<b>After Completion of the Proposed Acquisition Adjusted<sup>(1)</sup></b>
Net earnings for the financial year ended 31	(4,124)	(4,067)	(4,067)

	<b>Before Completion of the Proposed Acquisition</b>	<b>After Completion of the Proposed Acquisition</b>	<b>After Completion of the Proposed Acquisition Adjusted<sup>(1)</sup></b>
December 2020 (S\$'000)			
Weighted average number of shares in the Company, excluding treasury shares and subsidiary holdings	299,843,943	299,843,943	299,843,943
LPS of the Group (Singapore cents)	1.38	1.36	1.36

**Notes:**

- (1) Assuming that (a) the Vendor has repaid all loans made by the Target Group Companies to the Vendor, which in aggregate amount to approximately HK\$10.6 million (equivalent to approximately S\$1.8 million) as at the date of the Share Purchase Agreement; and (b) the Target Group Companies has declared dividends, which in aggregate amount to approximately HK\$9.3 million (equivalent to approximately S\$1.6 million), to the Vendor, before completion of the Proposed Acquisition.

The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group. No representation is made as to the actual results and/or financial position of the Company and/or the Group.

**Interests of Directors and Substantial Shareholders**

None of the directors and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company, if any.

**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.

**Service Contracts**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition and no service contracts in relation thereto is proposed to be entered into by the Company.

**Documents Available for Inspection**

A copy of the Share Purchase Agreement and the Valuation Report may be inspected at the Company's registered address at 280 Woodlands Industrial Park E5 #10-50 Harvest @ Woodlands Singapore 757322 during normal business hours for three months from the date of this announcement.

## Cautionary Statement

Shareholders and potential investors of the Company should note that the Proposed Acquisition is subject to conditions precedent and there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board  
**Incredible Holdings Ltd.**

Leung Kwok Kuen Jacob  
Independent Non-Executive Chairman and Independent Non-Executive Director

27 October 2021

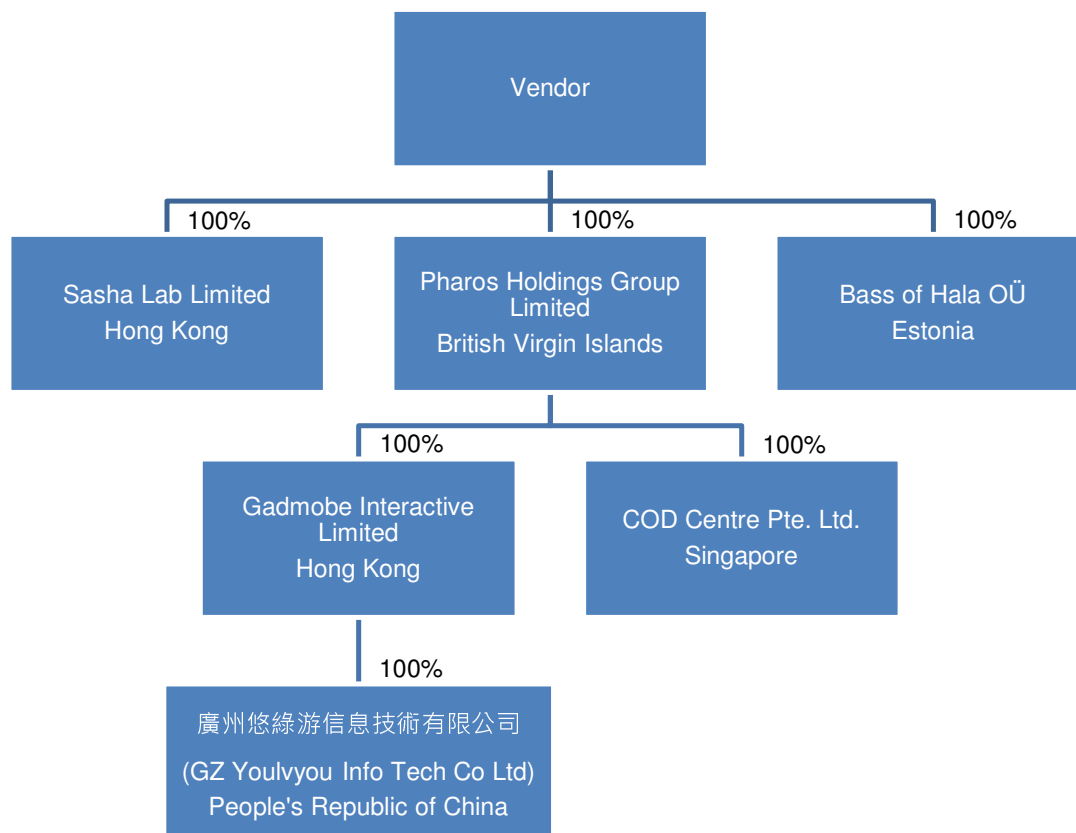
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*This announcement has been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness 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.*



**Appendix 1**  
**Corporate Structure as at the Date of this Announcement**



**Appendix 2**  
**Corporate Structure after Completion of the Proposed Restructuring Exercise**

