

MEDIA RELEASE

INCREDIBLE TO RAISE APPROXIMATELY S\$15.5 MILLION IN A CONDITIONAL PROPOSED PRIVATE PLACEMENT OF NEW ORDINARY SHARES

- *Group to issue a total of 14,091,734,127 new ordinary shares at S\$0.0011 per subscription share to three private investors¹, raising a total of approximately S\$15.5 million*
- *In addition, Group will issue a total of 21,137,601,190 free non-tradable warrants at an exercise price of S\$0.0011 per warrant to the same three private investors, raising a total of approximately S\$23.2 million should all these warrants be fully exercised*
- *Major shareholder, Mission Well Limited, to increase its stake from approximately 57.11% to approximately 83.86%² following the completion of its entitled proposed subscription of new ordinary shares excluding any exercise of warrants*

Singapore, May 7, 2022 – Incredible Holdings Ltd (“Incredible” or “the Group”), which is in the electronics industry distribution, luxury goods trading and loan financing business, today announce that it has entered into (i) a conditional proposed private placement of 14,091,734,127 new ordinary shares at \$0.0011 per subscription share to Mission Well Limited, Ms Zhou Qilin and Ms Zheng Zeli. In addition, the Group will issue (ii) 21,137,601,190 free non-tradable warrants at an exercise price of S\$0.0011 per warrant to them as part of the proposed private placement of new ordinary shares (i and ii, together the “**Proposed Placement Exercise**”). The subscription and exercise price of S\$0.0011 would have represented a premium of 10.0% to the weighted average price of S\$0.001 for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the full market day on 29 April 2022. The Proposed Placement Exercise would have raised a total of approximately S\$38.7 million in gross proceeds should all these non-tradable warrants be fully exercised.

Table 1: Allotment of New Ordinary Shares and Free Non-Tradable Warrants

Subscriber	New Ordinary Shares	% of Pre-Enlarged Share Capital	Free Non-Tradable Warrants	% of Pre-Enlarged Share Capital
Mission Well Limited	12,619,006,855	421.54%	18,928,510,282	632.31%

¹ Refer to Table 1

² Refer to Table 2

Zhou Qilin	636,363,636	21.26%	954,545,454	31.89%
Zheng Zeli	836,363,636	27.94%	1,254,545,454	41.91%
Total	14,091,734,127	470.74%	21,137,601,190	706.11%

As a vote of confidence in the strategic direction of Incredible, the Group's largest and major shareholder, Mission Well Limited, has committed to subscribe to the conditional proposed private placement of new ordinary shares contributing approximately S\$13.9 million, representing 89.55% of the total issuance of new ordinary shares from the Propose Placement Exercise. Upon completion of its entitled conditional proposed private placement of new ordinary shares excluding any exercise of warrants, Mission Well Limited would have raised its stake from approximately 57.11% to approximately 83.86%.²

Table 2: Stake Changes of Substantial Shareholders

	As at the date of this media release		Scenario A ⁽¹⁾		Scenario B ⁽²⁾	
	Number of Shares	% ⁽³⁾	Number of Shares	% ⁽⁴⁾	Number of Shares	% ⁽⁵⁾
<u>Substantial Shareholders of the Company</u>						
Mission Well Limited	1,709,659,281	57.11	14,328,666,136	83.86	33,257,176,418	87.0
Zhou Qilin	207,854,251	6.94	844,217,887	4.94	1,798,763,341	4.71
Zheng Zeli	-	-	836,363,636	4.90	2,090,909,090	5.47
Other Shareholders	1,076,019,013	35.95	1,076,019,013	6.30	1,076,019,013	2.82
Total	2,993,532,545	100	17,085,266,672	100	38,222,867,862	100

Notes:

- (1) Assuming that the Proposed Placement Exercise was completed where 14,091,734,127 Subscription Shares were allotted and issued.
- (2) Assuming that the Proposed Placement Exercise was completed where 14,091,734,127 Subscription Shares were allotted and issued and 21,137,601,190 Exercised Shares were allotted and issued upon exercise of all of the 21,137,601,190 Warrants.
- (3) Based on the existing total issued share capital of the Group (excluding treasury shares and subsidiary holdings) comprising 2,993,532,545 ordinary shares as at the date of this media release
- (4) Based on the enlarged total issued share capital of the Group (excluding treasury shares and subsidiary holdings) comprising 17,085,266,672 ordinary shares assuming Scenario A.
- (5) Based on the enlarged total issued share capital of the Group (excluding treasury shares and subsidiary holdings) comprising 38,222,867,862 ordinary shares assuming Scenario B.

Intended Use of Net Proceeds

100.0% of the net proceeds from the Subscription of New Ordinary Shares of approximately S\$15.5 million will go towards payment of promissory notes that was issued to significantly reduce the Group's liabilities and its overall financing cost.

Table 3: Financial Effects on the Gearing of the Group

	Before Completion of the Proposed Placement Exercise	Scenario M	Scenario N	Scenario O	Scenario P
Total borrowings as at 31 December 2021 (\$'000)	-	-	-	6,900	6,900
Shareholders' equity	9,664	25,165	48,416	27,265	50,516
Gearing ratio (times)	-	-	-	0.25	0.14

Notes:

the financial effects on the gearing of the Group are computed assuming that:

- (i) the issued share capital of the Group is 2,993,532,545 Shares;
- (ii) the full repayment (or part thereof) of certain promissory notes issued were issued on 31 December 2021;
- (iii) the Proposed Placement Exercise was completed on 31 December 2021 ("**Scenario M**");
- (iv) the Proposed Placement Exercise was completed on 31 December 2021 and 21,137,601,190 Exercised Shares were issued upon exercise of all of the Warrants on 31 December 2021, ("**Scenario N**");
- (v) the Proposed Placement Exercise was completed on 31 December 2021, and 525,000,000 conversion shares (as defined in the Proposed Issuance Announcement) were issued to Ntegrator International Limited on 31 December 2021 ("**Scenario O**"); and
- (vi) the Proposed Placement Exercise was completed on 31 December 2021, 21,137,601,190 Exercised Shares were issued upon exercise of all of the Warrants on 31 December 2021, and 525,000,000 conversion shares (as defined in the Proposed Issuance Announcement) were issued to Ntegrator International Limited on 31 December 2021 ("**Scenario P**");

Assuming that the non-tradable warrants are fully exercised, thereby raising a total of approximately S\$23.2 million in net proceeds. 50.0% would be utilized to fund mergers and acquisitions ("**M&A**") opportunities while the other 50.0% would be used to fund general working capital to expand the Group's businesses.

The Group is laying the building blocks of growth to develop the Group into a leading e-Marketplace for luxury watch enthusiasts around the world. The Group's Mergers and Acquisitions ("**M&A**") strategy revolves around earnings accretive acquisitions that will complement this core strategy. From 2021 to early 2022, the Group had completed a maximum initial total of approximately HK\$113.6 million in acquisitions to acquire Central Capital ApS which is an investment holding and HB 2021 ApS, a secured retail shopfront in Denmark, Billion Credit Financial Limited ("**BCF**"), New Genesis Development Limited ("**Gadmobie Group**") and Golden Ultra Limited ("**GUL**" or "**bestwatch.com.hk**"). These acquisitions are in line with the Group's core strategy to develop a luxury watch omnichannel marketplace combining e-Commerce websites and mobile application platforms with a retail presence in different countries, diversify of the Group business, to grow our revenue base and to enhance our shareholder returns in the long run.

The Proposed Placement Exercise is expected to be completed within three months from the date of all three private investors¹ signing their respective conditional placement agreements and announcement dated 6 May 2022.

- End -

Cautionary Statement

Shareholders and potential investors of the Group should note that there is no certainty or assurance as at the date of this media release that the Proposed Placement Exercise will be completed.

Shareholders and potential investors of the Group are advised to read this media release and any further announcements made by the Group carefully. Shareholders and potential investors of the Group are advised to refrain from taking any action with respect to their securities in the Group which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Group.

Shareholders and potential investors of the Group should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

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 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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