

INCREDIBLE HOLDINGS LTD.

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

EXPIRATION OF THE WHITEWASH WAIVER AND THE COUNCIL'S NEW WAIVER OF THE OBLIGATION FOR THE CONCERT GROUP TO MAKE A MANDATORY OFFER FOR THE COMPANY UNDER RULE 14 OF THE CODE (THE "NEW WHITEWASH RESOLUTION")

The Board of Directors (the "**Board**") of Incredible Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the following announcements:

- (i) the Company's announcement dated 15 April 2019 in relation to, *inter alia*, the Rights cum Warrants Issue (the "**Rights cum Warrants Issue Announcement**");
- (ii) the Company's announcement dated 23 August 2019 in relation to, *inter alia*, the Securities Industry Council of Singapore's (the "**Council**") waiver of the obligation for the Concert Group to make a mandatory offer for the Company under Rule 14 of the Singapore Code on Take-Overs and Mergers (the "**Code**") arising from the Concert Group's subscription for the Rights Shares with 2019 Warrants (the "**Waiver**");
- (iii) the Company's circular to the shareholders of the Company dated 11 October 2019 (the "**Circular**") in relation to, *inter alia*, The Proposed Whitewash Resolution; and
- (iv) the Company's announcement dated 21 November 2019 in relation to, *inter alia*, approval of The Proposed Whitewash Resolution.

The Board refers to the Company's announcement dated 23 August 2019, that the Waiver was subject to, *inter alia*, the approval of the Whitewash Resolution being obtained within 3 months of the Council's letter dated 23 August 2019, the subscription of the Rights Shares with 2019 Warrants by the Concert Group being completed within 3 months of the date of the approval of the Whitewash Resolution and the acquisition of the shares upon exercise of the 2019 Warrants must be completed within 5 years of the issue of the 2019 Warrants.

The Board wishes to update Shareholders that the Company had on 16 April 2020 submitted an application to the Council for (a) an extension of time for the Concert Group to rely on the Waiver ("**EOT Application**") ; (b) or in the alternative, for the Concert Group to rely on a waiver of the requirement to make a mandatory general offer under Rule 14 of the Code in connection with the Rights cum Warrants Issue ("**New Waiver**"). The basis of the EOT Application are, *inter alia*:

- (i) The subscription of the Rights Shares with 2019 Warrants by the Concert Group could not be completed within 3 months of the date of the approval of the Whitewash Resolution for the following reasons:
 - (a) The Group's principal place of business is in Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"). In December 2019, there was a sudden downturn in the economy in Hong Kong as a result of the prolonged political unrest and demonstrations since June 2019.
 - (b) During the fourth quarter of the financial year ended 31 December 2019, the Company could not proceed with the Rights cum Warrants Issue as the Group's subsidiaries in Hong Kong were making losses as a result of the prolonged political unrest and demonstrations for more than half a year in 2019.
 - (c) The Company managed to obtain sufficient funds for expenses that is required in order to complete the Rights cum Warrants Issue through advances from its Executive Director, Christian Kwok-Leun Yau Heilesen ("**Mr Heilesen**"), only in late March 2020 and would like to complete the Rights cum Warrants Issue as soon as possible.

- (ii) In light of the Covid-19 situation which began in January 2020, it will be progressively difficult to do fundraising this year. As such, the Company would like to complete its Rights cum Warrants Issue exercise as soon as possible.

The Company had, on 11 August 2020, received a letter from the Council. The letter from the Council provides, *inter alia*, the following:

1. Having considered all the information and representations, the Council rules that the Concert Group cannot rely on the Waiver and corresponding Whitewash Resolution, which has expired. The Council waives the obligation for the Concert Group to make a mandatory offer for the Company under Rule 14 of the Code arising from:
 - (a) the Concert Group's subscription for the Rights Shares with 2019 Warrants pursuant to the Irrevocable Undertakings; and
 - (b) the New Shares to be issued to the Concert Group upon exercise of the 2019 Warrants.
2. Council's waiver above is subject to the following conditions:
 - (a) a majority of holders of voting rights of the Company approve at a general meeting, before the Rights cum Warrants Issue, a resolution (the "**New Whitewash Resolution**") by way of a poll to waive their rights to receive a general offer from the Concert Group;
 - (b) the New Whitewash Resolution is separate from other resolutions;
 - (c) the Concert Group as well as parties not independent of them abstain from voting on the New Whitewash Resolution. For avoidance of doubt, Ms Zhou should abstain from voting on the New Whitewash Resolution;
 - (d) the Concert Group did not acquire or are not to acquire any shares or instruments convertible into and options in respect of shares of the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares which have been disclosed in the circular):
 - (i) during the period between the first announcement of the Rights cum Warrants Issue and the date shareholders' approval is obtained for the New Whitewash Resolution; and
 - (ii) in the 6 months prior to the first announcement of the Rights cum Warrants Issue but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Rights cum Warrants Issue;
 - (e) the Company appoints an independent financial adviser to advise its independent shareholders on the New Whitewash Resolution;
 - (f) the Company sets out clearly in its circular to its shareholders:
 - (i) details of the Rights cum Warrants Issue and the irrevocable undertakings to be given by the Concert Group;
 - (ii) the dilution effect to existing holders of voting rights upon (A) the subscription of the Rights Shares and (B) the exercise of the 2019 Warrants by the Concert Group;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in

respect of shares in the Company held by the Concert Group as at the latest practicable date, including the 2018 Warrants;

- (iv) the number and percentage of voting rights to be acquired by the Concert Group as a result of its (A) subscription of the Rights Shares and (B) exercise of the 2019 Warrants;
 - (v) specific and prominent reference to the fact that the subscription of the Rights Shares and exercise of the 2019 Warrants could result in the Concert Group holding shares carrying over 49% of the voting rights of the Company and to the fact that the Concert Group will be free to acquire further shares without incurring any obligation under Rule 14 to make a general offer;
 - (vi) specific and prominent reference to the possibility that shareholders, by voting for the New Whitewash Resolution could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the 2019 Warrants; and
 - (vii) specific and prominent reference to the fact that shareholders, by voting for the New Whitewash Resolution, are waiving their rights to a general offer from the Concert Group at the highest price paid by the Concert Group for the Company's shares in the past 6 months preceding the commencement of the offer;
- (g) the circular by the Company to its shareholders states that the waiver granted by Council to the Concert Group from the requirement to make a general offer under Rule 14 is subject to the conditions stated at 2(a) to (f) above;
 - (h) the Company obtains Council's approval in advance for those parts of the circular that refer to the New Whitewash Resolution;
 - (i) to rely on the New Whitewash Resolution, the approval of the New Whitewash Resolution must be obtained within 3 months of the letter, the subscription of the Rights Shares with 2019 Warrants by the Concert Group must be completed within 3 months of the date of the approval of the New Whitewash Resolution and the acquisition of the shares upon exercise of the 2019 Warrants must be completed within 5 years of the issue of the 2019 Warrants; and
 - (j) the Concert Group will comply or procure the relevant person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix 1 of the Code.
3. If the Concert Group exercises any warrants (including the 2018 Warrants) after the date of the approval of the New Whitewash Resolution (the "**Relevant Warrant Exercises**"), the waiver will only apply to the exercise of the 2019 Warrants for, such number of voting rights as, when added to those arising from the Relevant Warrant Exercises, does not exceed the number originally approved by shareholders in the New Whitewash Resolution.

The notice of EGM together with the accompanying circular to shareholders containing further details on, *inter alia*, the New Whitewash Resolution will be despatched to shareholders of the Company in due course.

Shareholders and potential investors of the Company are advised to exercise caution when dealing or trading in the securities of the Company. In particular, shareholders and potential investors of the Company should note that the Rights cum Warrants Issue is subject to certain conditions, including but not limited to shareholders' approval at an EGM to be convened, and there is no certainty or assurance as at the date of this announcement that the Rights cum Warrants Issue will be completed or that no changes will be made to the terms and conditions of the Rights cum Warrants Issue. The Company will make further announcements to update its shareholders when there are material updates as may be necessary or appropriate. 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 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.

Christian Kwok-Leun Yau Heilesen
Executive Director

11 August 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.

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