

INCREDIBLE HOLDINGS LTD
(the “Company”)
(Incorporated in the Republic of Singapore)
Co. Registration No. 199906220H
MINUTES OF THE VIRTUAL INFORMATION SESSION

Date : Tuesday, 25 January 2022

Time : 12.00 p.m.

Present

Directors : Leung Kwok Kuen Jacob - Independent Non-Executive Chairman, Independent Director
Christian Kwok-Leun Yau Heilesen - Executive Director
Zhou Jia Lin – Non-Executive Non-Independent Director
Eunice Veon Koh Pei Lee – Independent Director
Leung Yu Tung Stanley – Independent Director

In-attendance : As per attendance list maintained by the Company
(excluding Directors)

Mr Leung, Non-Executive Chairman, presided over the meeting and welcomed shareholders to the virtual information session (the “Session”). He also thanked shareholders who had submitted their questions in advance of the Session. The Directors responded to substantial and relevant questions submitted in advance of the Session and the questions raised at the Session. No shareholder attended the session which resulted to no question raised during the session.

The questions raised by the shareholders and answers given by the Directors are given below:

Questions (Q) and Answer (A)	Proposed Acquisition of Billion Credit
Q1	<p>Billion Credit Sale Shares has a negative book value and negative NTA.</p> <p>The IFA indicated that "Having regard to the foregoing considerations as set out above and information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the Proposed Acquisition of Billion Credit is NOT on normal commercial terms and may be prejudicial to the interests of the Company and its Minority Shareholders, taking into consideration in particular that the Billion Credit Consideration is at a 22.6% premium to the market value of Billion Credit as assessed by the Billion Credit Independent Valuer whilst Billion Credit is in a net liabilities position."</p> <p>Why is such a value-destroying transaction being proposed and put forth for shareholders consideration?</p>
A1	<p>As announced in Section 2.15 of the Circular, the members of the Audit Committee (who are also the Billion Credit Recommending Directors) are considered independent for the purposes of the Proposed Acquisition of Billion Credit. The Audit Committee, having considered, inter alia, the opinion of the IFA contained in the Billion Credit IFA Letter, the rationale and information relating to the Proposed Acquisition of Billion Credit as set out in Section 2.5 of the Circular, is of the view that the Valuation Report does not take into account benefits to the Group arising from the Proposed Acquisition of Billion Credit. The Audit Committee takes into consideration the reasons for the premium over the valuation include but is not limited to the following:</p> <p>a) The Proposed Acquisition makes sense economically – there are time and cost savings for the Group to acquire Billion Credit which has a range of existing customer-</p>

INCREDIBLE HOLDINGS LTD
(VIS on 25 January 2022– Q&A)

	<p>base, security system, existing staff and capabilities to rapidly expand the Group's business;</p> <p>b) Billion Credit has a team of experienced staffs (two employees and one director) who are familiar with regulation of Hong Kong Money Lender Ordinance and relevant knowledge in loan financing business;</p> <p>c) the net profits after tax recorded in the audited financial statements for the year ended 31 December 2020 of Billion Credit was HK\$155,000 (equivalent to approximately S\$27,000);</p> <p>d) the license for loan financing license was approved from the court in Hong Kong on 28 October 2021, the Group can commence the operation which is aligned with the Group's plan to diversify into the financing business for the provision of personal and business loan in Hong Kong;</p> <p>e) the Billion Credit's existing office and setup that will speed up the expansion of the Company's expansion efforts into Hong Kong; and</p> <p>f) the Proposed Acquisition of Billion Credit is in line with the Group's plan to grow the Group's loan financing business by providing personal and business loans in Hong Kong.</p> <p>The Audit Committee having considered, (i) the terms and conditions, and (ii) the rationale of the Proposed Acquisition as set out in Section 2.5 of the Circular and (iii) the reasons above and notwithstanding the opinion of the IFA as contained in the IFA letter, is of the view that the Proposed Acquisition of Billion Credit, when viewed together with other commercial factors beneficial to the group as a whole, strengthen both its business and financial positions, is fair and in the interests of the company and its shareholders as a whole, and accordingly recommends that shareholders vote in favour of the ordinary resolution relating to the Proposed Acquisition of Billion Credit at the EGM.</p> <p>The Board is of the view that the Proposed Acquisition of Billion Credit provides another avenue for the Company to grow its business. Taking into consideration the above, the Directors are of the view that the Proposed Acquisition of Billion Credit is fair and is not prejudicial to the shareholders of the Company.</p>
	Special Committee
Q2	<p>To justify the transaction, the Company constituted a special committee (the "Special Committee") comprising Ms Eunice Veon Koh Pei Lee to form a view on the Proposed Acquisition of Golden Ultra. Ms Eunice Veon Koh Pei Lee is the Golden Ultra Recommending Director. I note the special committee consists of only one member. According to the Cambridge Dictionary, a committee is "a small group of people chosen to represent a larger organization and either make decisions or collect information for it:"</p> <p>How is it that the committee set up by the company consists of only one individual? Instead of using the word "special committee", the company should just substitute the word "special committee" with "Ms Eunice Veon Koh Pei Lee"</p> <p>Given that the special committee only consists of one individual, and presents the opinion of only one individual, how well considered would the judgement of that one individual be?</p> <p>Would the opinion of only one individual be subject to personal blind spots and personal biases?</p>
A2	<p>As disclosed in Section 3.9 of the Circular, as the value of the Proposed Acquisition of Golden Ultra as an "interested person transaction" under Chapter 9 of the Catalist Rules is more than 5% of the Group's latest audited NTA, the Proposed Acquisition of Golden</p>

INCREDIBLE HOLDINGS LTD
(VIS on 25 January 2022– Q&A)

	<p>Ultra is conditional upon approval by Shareholders in the EGM pursuant to Rule 906 1(a) of the Catalist Rules.</p> <p>Provision 1.1 of the Corporate Governance, states, among other things, that all Directors are fiduciaries who act objectively in the best interests of the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.</p> <p>As disclosed in Section 3.14 of the Circular, the members of the Audit Committee comprising Mr Leung Kwok Kuen Jacob, Mr Leung Yu Tung Stanley and Ms Zhou Jia Lin are considered not independent for the purposes of the Proposed Acquisition of Golden Ultra.</p> <p>According to Rule 921(5) of the Catalist Rules, an opinion from the audit committee is required if it takes a different view to the independent financial adviser.</p> <p>Accordingly, as the members of the Audit Committee are not considered independent for the purpose of the Proposed Acquisition of Golden Ultra, the Company constituted a special committee (the “Special Committee”) comprising Ms Eunice Veon Koh Pei Lee (“Ms Koh”) to form a view on the Proposed Acquisition of Golden Ultra.</p> <p>Ms Koh has fiduciary duty to act objectively in the best interests of the Company and hold management accountable for performance. Her personal view is objective and after taking into consideration the reasons for the premium over the valuation as disclosed in Section 3.14 of the Circular. The reasons presented is not covered in valuation report and are based on the fact of CKLY Trading Limited. The management looked out for her blind spots on the reasons stated in Section 3.14 of the Circular.</p> <p>Shareholders of the Company may, after having considered the Golden Ultra Valuation Report, the Golden Ultra IFA Letter and Ms Koh's views disclosed in Section 3.14 of the Circular, choose to vote for or against the Proposed Acquisition of Golden Ultra accordingly.</p>
Q3	<p>The latest AR had a very short writeup on the background and experience of Ms Eunice Veon. It was mentioned that " Ms. Eunice Veon Koh Pei Lee graduated from Royal Melbourne Institute of Technology with Bachelor of Economics & Finance in 2007, was appointed Independent Director on 7 September 2017. Ms. Eunice has experience of working in Global Payment Asia Pacific (S) Pte Ltd as business development executive and as equity dealer in various securities firms."</p> <p>Does Ms Eunice Veon have the requisite experience to value companies?</p> <p>Does it make sense for shareholders to place more weight on the opinion of Ms Eunice Veon (a single individual with the above-mentioned short biography and experience) who is recommending shareholders VOTE FOR the acquisition OR the opinion of W Capital markets (with a larger team and more experience in valuing entities) who are recommending shareholders VOTE AGAINST the acquisition?</p>
A3	<p>The Company has commissioned an independent valuer, a professional with a certificate of professional authority and the valuation was conducted based on their relevant experience, with studies and research on the industry of the Golden Ultra Target Group.</p> <p>Ms Koh graduated from Royal Melbourne Institute of Technology with Bachelor of Economics & Finance, together with her past working experience, she is capable of assessing and valuing the financial statement of companies. As disclosed in Section 3.14</p>

INCREDIBLE HOLDINGS LTD
(VIS on 25 January 2022– Q&A)

	<p>of the Circular, the Special Committee is of the view that CKLY Trading Limited has been operating in the watch retailing business since 2016. CKLY Trading Limited has been profitable for four years in a row, and with a positive and growing EBITDA. As a result of its omni-channel approach to watch retailing, they are able to sell to and attract customers through online means as well as for clients that walk-in at the shop/office level.</p> <p>Shareholders of the Company may, after having considered the Golden Ultra Valuation Report, the Golden Ultra IFA Letter and Ms Koh's views disclosed in Section 3.14 of the Circular, choose to vote for or against the Proposed Acquisition of Golden Ultra accordingly.</p>
--	---

The Session ended at 12.20 p.m. with Mr Jacob, Chairman thanking the attendees for their participation.