



NTEGRATOR International Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration Number 199904281D)

Proposed Issuance of Perpetual Convertible Bonds and Warrants – Entry into Subscription Agreement

Introduction

The Board of Directors (the “**Board**”) of NTEGRATOR International Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 31 December 2021 entered into a subscription agreement (the “**Subscription Agreement**”) with Incredible Holdings Ltd. (the “**Subscriber**”) in relation to, *inter alia*, a proposed issuance of:

- (a) 0% perpetual convertible bonds of an aggregate principal amount of S\$9,000,000 (the “**Perpetual Convertible Bonds**”) which shall, at the option of the holder thereof, be convertible into new ordinary shares in the Company (the “**Conversion Shares**”) at a conversion price of S\$0.003333 per Conversion Share (the “**Conversion Price**”); and
- (b) 10,000,000,000 free warrants (the “**Warrants**”), each Warrant shall grant the holder thereof the right to subscribe for one new ordinary share in the Company (the “**Exercised Share**”) at an exercise price of S\$0.003333 (the “**Exercise Price**”),

(the “**Proposed Issuance**”).

Following the completion of the Proposed Issuance, the Company will not become a subsidiary of the Subscriber.

The proposed issuance of the Perpetual Convertible Bonds is undertaken pursuant to Section 272B of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”). The Perpetual Convertible Bonds have been offered solely and sold to the Subscriber under Section 272B of the SFA and no prospectus or offer information statement in connection with the offer and sale of the Perpetual Convertible Bonds will be registered in Singapore with the Monetary Authority of Singapore (the “**MAS**”) under the SFA.

The proposed issuance of the Warrants is undertaken pursuant to Section 277 of the SFA. An offer information statement relating to the proposed issuance of the Warrants which complies with such requirements as to form and content with the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 will be lodged with the SGX-ST acting as agent on behalf of the MAS in due course.

No lead manager, co-manager, placement agent or underwriter has been appointed and no commission is payable to any lead manager, co-manager, placement agent or underwriter in connection with the Proposed Issuance.

The Company issued 172,400,000 free warrants, each warrant granting the holder thereof the right to subscribe for one new ordinary share in the Company at an exercise price of S\$0.0082, to Ms Zheng

Ze Li and Industrial Electronics Pte Ltd on 29 November 2021 pursuant to the Second Placement Exercise (as defined below). Following the exercise of 38,800,000 warrants into 38,800,000 new ordinary shares in the Company on 23 December 2021, there are 133,600,000 warrants outstanding as at the date of this announcement. Save for the foregoing, the Company does not have any existing convertible securities as at the date of this announcement.

Information on the Subscriber

Introducer

The Subscriber was identified by one of the Board members of the Company, namely Christian Kwok-Leun Yau Heilesen (“**Mr Heilesen**”), the Executive Director and controlling shareholder of the Company. Mr Heilesen introduced the Subscriber to the Company.

No introducer was appointed by the Company and no commission is payable by the Company in connection with the Proposed Issuance. Accordingly, no commission and/or introducer fees are payable/was paid by the Company in connection with the Proposed Issuance.

Information on the Subscriber

The Subscriber, Incredible Holdings Ltd. (Company Registration Number 199906220H), is a public company incorporated in Singapore on 12 October 1999 and has an issued and paid-up share capital of approximately S\$53.7 million comprising 2,993,532,545 ordinary shares as at the date of this announcement.

The Subscriber is listed on the Catalist Board of the SGX-ST.

The principal activities of the Subscriber comprise, *inter alia*, the following:

- (a) the distribution of specialty chemical products and consumable materials for the electronics industry;
- (b) the retail and trade of new and used luxury consumer goods;
- (c) the provision of management and accounting services; and
- (d) the provision of personal and business loans in Hong Kong.

The Subscriber is an associate of Mr Heilesen, who is a director of the Company, and the Subscriber is an “interested person” under Chapter 9 of the Catalist Rules. In addition, Mr Heilesen, who is a director and a controlling shareholder of the Company, has an aggregate interest of at least 10% in the Subscriber. Therefore, specific shareholders’ approval from independent shareholders of the Company for the Proposed Issuance must be obtained, and Mr Heilesen and his associates, must abstain from voting on the resolution approving the Proposed Issuance.

Representations from the Subscriber

The Subscriber has represented that:

- (a) The Subscriber is not acquiring the Perpetual Convertible Bonds and the Warrants as trustee to beneficiaries of a trust nor is the Subscriber acting on behalf of another person (whether as an agent or otherwise) in connection with its acquisition of the Perpetual Convertible Bonds and the Warrants.
- (b) The Subscriber is subscribing for the Perpetual Convertible Bonds for investment purposes and not subscribing for the Perpetual Convertible Bonds with a view to subsequently offer the Perpetual Convertible Bonds for sale to another person.

- (c) The Subscriber will do all acts and things as may be required in order to comply with Section 272B and Section 277 of the SFA.
- (d) The Subscriber will not convert the Perpetual Convertible Bonds and exercise the Warrants to acquire shares which (taken together with shares held or acquired by persons acting in concert with it) carry 30% or more of the voting rights of the Company.
- (e) The Subscriber will not convert the Perpetual Convertible Bonds and exercise the Warrants to acquire a controlling interest under the Catalist Rules without prior approval of shareholders of the Company in general meeting.
- (f) Save that the Subscriber is a corporation in whose shares the Company's directors and substantial shareholders have an aggregate interest of at least 10%, the Subscriber is not (i) a substantial shareholder of the Company; (ii) a substantial shareholder, related company, associated company or sister company of a substantial shareholder of the Company; and (iii) to the best of its knowledge, information and belief, a person who, in the opinion of the SGX-ST, falls within (i) or (ii).
- (g) The Subscriber is not acting in accordance with the instructions or direction of any director or shareholder of the Company, nor is the Subscriber under any obligation to act in accordance with the instructions or direction of any director or shareholder of the Company.
- (h) The Subscriber will not convert the Perpetual Convertible Bonds and/or exercise the Warrants to the extent that would result in a very substantial acquisition or a reverse takeover by the Subscriber under the Catalist Rules.
- (i) The Subscriber's market capitalisation of approximately S\$9.4 million on 30 December 2021, being the last full market day on which trades were done preceding the date of the Subscription Agreement. The Subscriber's market capitalisation was determined by multiplying the number of shares in issue 2,993,532,545 shares by the weighted average price of such shares transacted on 30 December 2021, being S\$0.00314.

Rationale for the Proposed Issuance

The rationale for the Proposed Issuance is for the Company to participate in the business growth and upside of the new and existing businesses of the Subscriber. The Board believes that the Proposed Issuance will broaden and diversify the Group's revenue streams and customer base by further co-operation with the Subscriber to expand the new and existing business of the Company.

As announced on 1 January 2022 titled "Proposed Subscription of Perpetual Bonds, Perpetual Convertible Bonds and Warrants - Entry into Subscription Agreement as an Interested Person Transaction" ("**Proposed Subscription**"), the Company has on 31 December 2021 entered into a subscription agreement with the Subscriber. The rationale for the Proposed Issuance and the Proposed Subscription is that the Company does not have to utilise its cash to subscribe for the Subscriber's shares as a long-term investment which is different from the previous two placement exercises completed in June 2021 and November 2021. The Company does not intend to amend the utilization of net proceeds raised from the Second Placement Exercise which is for working capital purpose. Further, the unutilised fund is not sufficient to complete the Proposed Subscription.

As announced on 12 October 2021, the Company entered into proposed acquisition of 55% of Golden Ultra Limited and proposed acquisition of Gadmobe Group. On 18 October 2021 and 27 October 2021, the Subscriber announced the proposed acquisition of 42% of Golden Ultra Limited and proposed acquisition of 15% of Gadmobe Group respectively. The Board is of the view that the Proposed Issuance and the Proposed Acquisition could foster closer cooperation between the Company and the Issuer without using cash resources and enjoying growth in each other's existing businesses.

The placement of 10,000,000,000 free warrants to the Subscriber is for the Company to benefit from additional funds expected to be raised for investment in the Subscriber and proposed mergers and acquisitions as and when the Warrants are exercised into Exercised Shares during the Exercise Period.

As disclosed in the Sub-Section titled “Amount of Cash raised from Issues of Securities in the market in the past two years”, the Company completed the First Placement Exercise on 30 June 2021 and the Second Placement Exercise on 12 November 2021. Shareholders of the Company are advised to read the full text of the announcements made by the Company on 25 May 2021, 28 May 2021, 23 June 2021, 29 June 2021 and 30 June 2021, which are available on SGXNET, for further details on the First Placement Exercise and the full text of the announcements made by the Company on 20 October 2021, 25 October 2021, 8 November 2021, 12 November 2021 and 29 November 2021, which are available on SGXNET, for further details on the Second Placement Exercise.

The Proposed Issuance

The terms of the Proposed Issuance were arrived at an arm’s length basis and in view of the Proposed Issuance being a potential long-term investment for the Company and the Subscriber as detailed in the rationale above.

Principal Terms and Conditions of the Perpetual Convertible Bonds and the Conversion Shares

The following is a summary of the principal terms and conditions of the Perpetual Convertible Bonds and the Conversion Shares:

Issuer	:	Negrator International Ltd.
Size of Perpetual Convertible Bonds	:	The Company will issue S\$9,000,000 aggregate principal amount of Perpetual Convertible Bonds.
Issue Date of Perpetual Convertible Bonds	:	On the Completion Date of the Subscription Agreement (as defined below).
Issue Price of Perpetual Convertible Bonds	:	100% of the principal amount of the Perpetual Convertible Bonds, or S\$1.00 for each S\$1.00 in principal amount of the Perpetual Convertible Bonds.
Form and Denomination	:	The Perpetual Convertible Bonds will be issued in registered form and in the denomination of S\$1.00 each.
Status of the Perpetual Convertible Bonds	:	The Perpetual Convertible Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves and <i>pari passu</i> 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.
Conversion Right	:	The Perpetual Convertible Bonds shall, at the option of the holder thereof, be convertible into Conversion Shares at the Conversion Price. The conversion right may be exercised at any time after the date of issue of the Perpetual Convertible Bonds or, if such Perpetual Convertible Bonds have been called for

redemption by the Company, then before 5.00 p.m. on a date no later than ten days prior to the date fixed for redemption of such Perpetual Convertible Bonds.

The number of Conversion Shares to be issued by the Company upon conversion of the Perpetual Convertible Bonds will be determined by dividing the principal amount of the Perpetual Convertible Bonds to be converted by the Conversion Price in effect at the conversion date.

Fractions of a Conversion Share will not be issued upon conversion of the Perpetual Convertible Bonds and no cash adjustments will be made in respect of such fractions of Conversion Shares.

For the avoidance of doubt, all interest accrued on the Perpetual Convertible Bonds shall be paid in cash to the holder thereof and shall not be convertible into Conversion Shares.

Registration

- : As soon as practicable, and in any event not later than 15 market days after the conversion date, the Issuer will, in the case of Perpetual Convertible Bonds converted on exercise of the Conversion Right and in respect of which a duly completed conversion notice has been delivered and the relevant Certificate and amounts payable by the relevant Bondholder as required have been paid, procure that the relevant number of conversion shares to be issued on conversion of the Perpetual Convertible Bonds are allotted to and registered in the name of CDP for credit to the securities account designated for the purpose in the conversion notice for so long as the Conversion Shares are listed on the Catalist Board of the SGX-ST, together with any other documents as may be required by law to effect the allotment thereof.

Number of Conversion Shares : Assuming there are no adjustments to the Conversion Price subsequent to the issuance of the Perpetual Convertible Bonds, the Company will issue 2,700,270,027 Conversion Shares upon conversion of all of the Perpetual Convertible Bonds.

The 2,700,270,027 Conversion Shares represents:

- (a) approximately 184.39% of the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 1,464,458,714 ordinary shares; and
- (b) approximately 64.84% of the enlarged total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 4,164,728,741 ordinary shares, assuming that 2,700,270,027 Conversion Shares were issued by the Company upon conversion of all of the Perpetual Convertible Bonds.

Status of Conversion Shares : The Conversion Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing ordinary shares in the Company, except that they will not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date of allotment and issue of the Conversion Shares.

Listing and Trading of the Perpetual Convertible Bonds and the Conversion Shares : The Perpetual Convertible Bonds will not be listed and quoted on the Catalist Board of the SGX-ST.

The Company will be making an application to the SGX-ST through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the listing and quotation of the Conversion Shares on the Catalist of the SGX-ST.

Conversion Price : S\$0.003333

The Conversion Price of S\$0.003333 represents a discount of 52.39% to the weighted average price of S\$0.007 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement on 31 December 2021.

The Conversion Price was arrived at after (i) arm's length negotiations between the Subscriber and the Company on a willing-buyer willing-seller basis, (ii) latest available open market value of the Subscriber and the Company, (iii) in view of further co-operation with the Subscriber to expand the new and existing business of the Company and (iv) the Company's proposed rights cum warrants issue where the Exercise Price is priced the same as the rights issue price before share consolidation which is announced on 31 December 2021. Additionally, it gives the Subscriber an opportunity and incentive to commit, participate and further their investment in the Company with the Company being able to convert the bonds to equity in the future.

Taking into account the Exercise Price of the Warrants as further detailed below under "Exercise Price" in the section titled "Principal Terms and Conditions of the Warrants and the Exercised Shares", the effective price of the Conversion Shares is the same as that of the Warrants, being S\$0.003333, which represents a discount of 52.39% to the weighted average price of S\$0.007 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement on 31 December 2021.

Adjustments : The Conversion Price is subject to adjustments under certain circumstances in accordance with the terms and conditions of the Perpetual Convertible Bonds.

The Company will make an announcement of any adjustments made to the Conversion Price via SGXNET.

Coupon : Until conversion or redemption, each Perpetual Convertible Bond shall bear interest from the date on which it is issued at a rate of 6% per annum, payable annually in arrears.

Maturity Date : The Perpetual Convertible Bonds will be perpetual convertible bonds and will have no fixed maturity date.

Redemption : The Perpetual Convertible Bonds may be redeemed at the option of the Company in whole or in part by giving not less than 21 days' notice to the holders of the Perpetual Convertible Bonds at a redemption price equal to the principal amount of the Perpetual Convertible Bonds to be redeemed at any time after the date falling three years from the date of issue of the Perpetual Convertible Bonds.

The Perpetual Convertible Bonds may also be redeemed at the option of the Company in whole but not in part at any time at a redemption price equal to the principal amount of the Perpetual Convertible Bonds upon the occurrence of the following events at the discretion of the Company's Board (except Mr Heilesen): (a) certain changes in applicable laws or regulations of Singapore requiring the payment of additional amounts to gross up payments on account of withholding taxes; (b) a change in control of the Subscriber; or (c) a suspension or delisting of the securities of the Subscriber.

All interest accrued on the Perpetual Convertible Bonds to be redeemed shall be paid on the elected redemption date.

For the avoidance of doubt, the Perpetual Convertible Bonds are not redeemable at the option of the holders of the Perpetual Convertible Bonds.

Participation Rights in Distributions and/or Offer of Further Securities : The holders of the Perpetual Convertible Bonds have no participation rights in any distributions and/or offer of further securities made by the Company.

Transferability : Subject to applicable laws and regulations, the Perpetual Convertible Bonds may be transferred by a holder thereof with the prior written consent of the Company in accordance with the terms and conditions of the Perpetual Convertible Bonds.

Governing Law : The Perpetual Convertible Bonds will be governed by, and construed in accordance with, the laws of Singapore.

Principal Terms and Conditions of the Warrants and the Exercised Shares

The following is a summary of the principal terms and conditions of the Warrants and the Exercised Shares:

- Issuer : Ntegrator International Ltd.
- Number of Warrants : The Company will issue 10,000,000,000 Warrants.
- Form and Subscription Right : The Warrants will be constituted by a deed poll (“**Deed Poll**”) and will be issued in registered form. Each Warrant shall grant the holder thereof the right to subscribe for one Exercised Shares at the Exercise Price at any time during the Exercise Period subject to the terms and conditions of the Warrants in the Deed Poll.
- Number of Exercised Shares : Assuming there are no adjustments to the number of Warrants, the Company will issue 10,000,000,000 Exercised Shares upon exercise of all of the Warrants.

The 10,000,000,000 Exercised Shares represents:

- (a) approximately 682.85% of the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 1,464,458,714 ordinary shares; and
- (b) approximately 87.23% of the enlarged total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 11,464,458,714 ordinary shares, assuming that 10,000,000,000 Exercised Shares were issued by the Company upon exercise of all of the Warrants.

The 2,700,270,027 Conversion Shares and the 10,000,000,000 Exercised Shares represent:

- (a) approximately 867.23% of the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 1,464,458,714 ordinary shares; and
- (b) approximately 89.66% of the enlarged total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 14,164,728,741 ordinary shares, assuming that 2,700,270,027 Conversion Shares were issued by the Company upon conversion of all of the Perpetual Convertible Bonds and that 10,000,000,000 Exercised Shares were issued by the Company upon exercise of all of the Warrants.

- Status of Exercised Shares : The Exercised Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing ordinary shares in the Company, except that they will not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date of allotment and issue of the Exercised Shares.

Listing and Trading of the Warrants and the Exercised Shares

: The Warrants are expected to be listed and quoted on the Catalist Board of the SGX-ST.

Subject to shareholders' approval being obtained, lodgement of an offer information statement relating to the proposed issuance of the Warrants and discussions between the Company and the Subscriber, the Company will be making an application to the SGX-ST through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the listing and quotation of the Warrants and the Exercised Shares on the Catalist of the SGX-ST.

It should be noted that the Warrants may not be listed and quoted on the Catalist Board of the SGX-ST in the event of an insufficient spread of holdings of the Warrants to provide for an orderly market in the Warrants. Accordingly, in such event, the holders will not be able to trade their Warrants on the Catalist Board of the SGX-ST. However, if the Warrants are exercised in accordance with its terms and conditions, the Exercised Shares will be listed and quoted on the Catalist Board of the SGX-ST. Please refer to the section entitled "Proposed Distribution by way of Proposed Capital Reduction by the Subscriber" of this announcement for details.

Exercise Price

: S\$0.003333

The Exercise Price of S\$0.003333 represents a discount of 52.39% to the weighted average price of S\$0.007 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement on 31 December 2021.

The Exercise Price was arrived at after (i) arm's length negotiations between the Subscriber and the Company on a willing-buyer willing-seller basis, (ii) latest available open market value of the Subscriber and the Company, (iii) in view of further co-operation with the Subscriber to expand the new and existing business of the Company and (iv) the Company's proposed rights cum warrants issue where the Exercise Price is priced the same as the rights issue price before share consolidation which is announced on 31 December 2021. Additionally, it gives the Subscriber an opportunity and incentive to commit, participate and further their investment in the Company with the Company being able to convert the bonds to equity in the future.

Exercise Period

: The Warrants may be exercised during the period commencing on the date of issue of the Warrants and expiring at 5.00 p.m. on the date falling five years after the date of issue of the Warrants (the "**Exercise Period**"). At the expiry of the Exercise Period, any Warrants which have not been exercised shall lapse and cease to be valid for any purpose.

Adjustments

: The number of Warrants and/or the Exercise Price are subject to adjustments under certain circumstances in accordance with the terms and conditions of the Warrants in the Deed Poll.

The Company will make an application to the SGX-ST through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the listing and quotation of any additional Warrants and any additional Exercised Shares on the Catalist Board of the SGX-ST as and when there are any adjustments made to the number of Warrants and/or the Exercise Price.

The Warrants and any additional Warrants issued pursuant to such adjustments shall rank *pari passu* in all respects with the then existing Warrants and without any preference or priority among themselves and among the then existing Warrants, save as may otherwise be provided in the terms and conditions of the Warrants in the Deed Poll.

The Company will make an announcement of any adjustments made to the number of Warrants and/or the Exercise Price via SGXNET.

Modification of Rights of the Holders of the Warrants

: The Company may, without the consent of the holders of the Warrants but in accordance with the terms and conditions of the Warrants in the Deed Poll, effect:

- (a) any modification to the Warrants, the warrant agency agreement or the Deed Poll which, in its opinion, is not materially prejudicial to the interests of the holders of the Warrants;
- (b) any modification to the Warrants, the warrant agency agreement or the Deed Poll which, in its opinion, is of a formal, technical or minor nature or to correct a manifest error or to comply with mandatory provisions of Singapore law; and/or
- (c) any modification to the Warrants or the Deed Poll which, in its opinion, is to vary or replace provisions relating to the transfer or exercise of the Warrants, including the issue of Exercised Shares upon exercise of the Warrants or meetings of the holders of the Warrants in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the Catalist Board of the SGX-ST.

Any such modification shall be binding on the holders of the Warrants and shall be notified to the holders of the Warrants in accordance with the terms and conditions of the Warrants in the Deed Poll as soon as practicable thereafter.

Any alteration to the terms and conditions of the Warrants in the Deed Poll after the issue of the Warrants must be subject to the approval of the SGX-ST (if required), except where the alterations are made pursuant to the terms and conditions of the Warrants in the Deed Poll.

Notwithstanding any other provisions as set out in the Deed Poll, any material alteration to the terms and conditions of the Warrants in the Deed Poll after the issue of the Warrants to the advantage of the holders of the Warrants and prejudicial to the shareholders of the Company must be approved by shareholders of the Company in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants in the Deed Poll.

Save as provided by the terms and conditions of the Warrants in the Deed Poll, the Company shall not extend the Exercise Period, create and issue new warrants to replace the Warrants, change the Exercise Price or change the exercise ratio of the Warrants.

- Winding-up of the Company : If a resolution is passed for a members' voluntary winding-up of the Company then:
- (a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the holders of the Warrants, or some person designated by them for such purpose sanctioned by extraordinary resolution at a meeting of the holders of the Warrants, the terms of such scheme of arrangement shall be binding on all holders of the Warrants; and
 - (b) in any other case, every holder of the Warrants shall be entitled, subject to the terms and conditions of the Warrants in the Deed Poll, within two weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his warrant certificate(s) to the Company with the exercise notice(s) duly completed, together with payment of the full amount of the aggregate Exercise Price in respect of the Warrants specified in the exercise notice(s), to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the exercise notice(s) and had on such date been the holder of the Exercised Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall, if permitted by law, give effect to such election accordingly. The Company shall give notice to the holders of the Warrants in accordance with the terms and conditions of the Warrants in the Deed Poll of the passing of any such resolution within seven market days after the passing thereof.

Subject to the foregoing, if the Company is wound-up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution in relation to the winding-up of the Company, shall lapse and the Warrants shall cease to be valid for any purpose.

Transferability : Subject to applicable laws and regulations and the terms and conditions of the Warrants in the Deed Poll, the Warrants shall be transferrable in lots entitling a holder thereof to subscribe for whole numbers of Exercised Shares and so that no person shall be recognised by the Company as having title to Warrants granting the relevant holder thereof the right to subscribe for a fractional part of an Exercised Share or otherwise than as the sole or joint holder of the entirety of such Exercised Share.

Governing Law : The Warrants will be governed by, and construed in accordance with, the laws of Singapore.

Intended Use of Net Proceeds

The gross proceeds from the proposed issuance of the Perpetual Convertible Bonds of S\$9,000,000 plus the gross proceeds from the exercise of the Warrants of S\$33,330,000 (assuming that there are no adjustments to the number of Warrants and the Exercise Price and assuming that all of the Warrants are exercised) less the costs and expenses incurred or to be incurred in connection with the Proposed Issuance of approximately S\$50,000 amounts to approximately S\$42,280,000 (the “**Net Proceeds**”).

The Company intends to use the Net Proceeds to be raised by the Company from the proposed issuance of the Perpetual Convertible Bonds as follows:

Intended Use of Net Proceeds	Allocation of Net Proceeds	
	S\$	%
To subscribe for perpetual convertible bonds and perpetual bonds to be issued by Incredible Holdings Ltd. ¹	8,950,000	100
Total	8,950,000	100

The Company intends to use the Net Proceeds to be raised by the Company from the exercise of the Warrants as follows:

Intended Use of Net Proceeds	Allocation of Net Proceeds	
	S\$	%
To invest in Incredible Holdings Ltd.’s shares	16,665,000	50
To Fund Acquisitions and New Business Opportunities	16,665,000	50
Total	33,330,000	100

¹ Shareholders of the Company are advised to read the full text of the announcement made by the Company on 31 December 2021, which is available on SGXNET, for further details on the proposed subscription of perpetual bonds perpetual convertible bonds and warrants to be issued by Incredible Holdings Ltd.

Shareholders should note that the table above represents reasonable estimates of the allocation of the Net Proceeds to be raised by the Company from the Proposed Issuance based on its current plans and reasonable estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and the Company may find it necessary or advisable to reallocate the Net Proceeds within the intended uses described above or to use portions of the Net Proceeds for other purposes. In the event that any part of the Company's intended uses described above does not materialise or proceed, and the Net Proceeds allocated is not used, directors of the Company will carefully evaluate the situation and may reallocate such funds to other purposes and/or hold such funds on short-term deposits for so long as directors of the Company deem it to be in the interests of the Company and its shareholders, taken as a whole. Where there is any material deviation of the Net Proceeds from the Company's intended uses described above, the Company will make an announcement of the reasons for such deviation via SGXNET.

The Company will make immediate announcements on the use of the Net Proceeds from the Proposed Issuance as and when the funds are materially disbursed and whether such use is in accordance with the Company's intended uses described above and in accordance with the Company's estimated allocation described above. In the event that the Net Proceeds from the Proposed Issuance are reallocated to be used for general working capital purposes, the Company will disclose a breakdown with specific details on the use of the Net Proceeds from the Proposed Issuance for general working capital purposes. The Company will provide a status report on the use of the Net Proceeds from the Proposed Issuance in the Company's interim and full year financial statements and annual reports. Pending the deployment of the Net Proceeds from the Proposed Issuance, the funds will be placed in short-term deposits and/or used to invest in short-term money market instruments as directors of the Company may, in their absolute discretion, deem appropriate.

Amount of Cash raised from Issues of Securities in the market in the past two years

The Company completed:

- (a) a placement of an aggregate of 187,863,480 placement shares to Ms Zhou Qilin at a subscription price of S\$0.01094 per placement share (the "**First Placement Exercise**")² on 30 June 2021 raising net proceeds of approximately S\$2.0 million; and
- (b) a placement of an aggregate of 172,400,000 placement shares to Ms Zheng Ze Li and Industrial Electronics Pte Ltd at a subscription price of S\$0.0082 per placement share (the "**Second Placement Exercise**")³ on 12 November 2021 raising net proceeds of approximately S\$1.4 million.

Intended Use of Net Proceeds	Allocation of Net Proceeds		Amount Utilised		Balance ⁽¹⁾	
	S\$	%	S\$	%	S\$	%
<u>First Placement Exercise</u>						
To fund Acquisitions and New Business Opportunities	1.6 million	80%	-	-	1.6 million	80%
General Working Capital Requirements	0.4 million	20%	0.4 million ⁽²⁾	20%	-	-
Total	2.0 million	100%	0.4 million	20%	1.6 million	80%

² Shareholders of the Company are advised to read the full text of the announcements made by the Company on 25 May 2021, 28 May 2021, 23 June 2021, 29 June 2021 and 30 June 2021, which are available on SGXNET, for further details on the First Placement Exercise.

³ Shareholders of the Company are advised to read the full text of the announcements made by the Company on 20 October 2021, 25 October 2021, 8 November 2021, 12 November 2021 and 29 November 2021, which are available on SGXNET, for further details on the Second Placement Exercise.

<u>Second Placement Exercise</u>						
General Working Capital	1.4 million	100%	-	-	1.4 million	100%
Total	1.4 million	100%	-	-	1.4 million	100%

Notes:

- (1) As at the date of this announcement.
- (2) The amount of net proceeds from the First Placement Exercise utilised for general working capital requirements comprise a payment of S\$223,045.30 to suppliers and professional advisors, and a sum of S\$178,000 placed in an escrow account in connection with fees alleged to be due and owing by the Company to Asian Corporate Advisors Pte. Ltd.. Shareholders of the Company are advised to read the full text of the announcements made by the Company on 11 August 2021 and 27 August 2021, which are available on SGXNET, for further details on fees alleged to be due and owing by the Company to Asian Corporate Advisors Pte. Ltd..

The use of proceeds as stated above is in accordance with the intended use as stated in the placement announcements dated 25 May 2021, 28 May 2021, 23 June 2021, 29 June 2021, 30 June 2021, 20 October 2021, 25 October 2021, 8 November 2021, 12 November 2021 and 29 November 2021.

The Company will make periodic announcements on the further utilisation of the remaining Net Proceeds as and when it is materially disbursed, and will provide a status report on the use of Net Proceeds in its interim and full year financial results announcements and annual reports as may be required under the Catalist Rules.

Listing and Quotation Notice

The Proposed Issuance is conditional upon, *inter alia*, the Company obtaining the listing and quotation notice from the SGX-ST for the listing and quotation of the Warrants, the Conversion Shares and the Exercised Shares.

The Company will be making an application to the SGX-ST through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the listing and quotation of the Warrants, the Conversion Shares and the Exercised Shares on the Catalist Board of the SGX-ST and will make the necessary announcement upon receipt of the listing and quotation notice in respect of the Warrants, the Conversion Shares and the Exercised Shares from the SGX-ST.

Principal Terms of the Subscription Agreement

According to the Subscription Agreement:

(a) Completion Date

“**Completion Date**” means the date falling seven business days after the fulfilment or waiver (if capable of waiver) of all the conditions precedent below (other than conditions precedent to be fulfilled on the Completion Date), or such other date as the Company and the Subscriber (collectively, the “**Parties**”) may agree in writing.

(b) Conditions Precedent

The obligations of the Parties under the Subscription Agreement are conditional upon, and completion shall not take place until, all the following conditions precedent (other than conditions precedent to be fulfilled or waived (if capable of waiver) on the Completion Date) have been fulfilled:

- (i) the Company having obtained such approvals from its board of directors and shareholders in connection with the Subscription Agreement and the transactions contemplated therein as may be necessary, including but not limited to (aa) the issue of the Perpetual Convertible Bonds to the Subscriber and the issue of the Conversion Shares upon conversion of the Perpetual Convertible Bonds; (bb) the issue of the Warrants to the Subscriber and the issue of the Exercised Shares upon exercise of the Warrants; (cc) the issue of new share certificates in respect of the Conversion Shares and the Exercised Shares; and (dd) the lodgement of the required statutory returns with the Accounting and Regulatory Authority of Singapore, and such approvals not having been amended or revoked before the Completion Date;
- (ii) the Subscriber having obtained such approvals from its board of directors and shareholders (if applicable) in connection with the Subscription Agreement and the transactions contemplated therein as may be necessary;
- (iii) the Company having obtained the listing and quotation notice from the SGX-ST for the listing and quotation of the Warrants, the Conversion Shares and the Exercised Shares, and the listing and quotation notice not having been amended or revoked before the Completion Date, and if the listing and quotation notice is subject to conditions, such conditions being reasonably satisfactory to the Company and, to the extent that such conditions being fulfilled on or before the Completion Date;
- (iv) the Subscriber complying with the applicable requirements under the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the SFA, the Singapore Code on Take-overs and Mergers (the “**Code**”), the Catalist Rules and applicable laws (to the extent that such laws relates to or affects the subscription);
- (v) there is no breach by the Subscriber of its representations, warranties and undertakings contained in the Subscription Agreement;
- (vi) each of the representations, warranties and undertakings 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; and
- (vii) all necessary consents, approvals and waivers where required for the transactions contemplated under the Subscription Agreement (including third party, governmental and regulatory consents, approvals and waivers) having been obtained by the Parties, 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.

(c) Long Stop Date

“**Long Stop Date**” means 12 months from the date of the Subscription 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 Subscription Agreement shall lapse and no party shall have any claim against the other party under the Subscription Agreement, save for any claim arising from antecedent breaches of the Subscription Agreement.

(d) Payment of the Issue Price for the Perpetual Convertible Bonds

The aggregate issue price for the Perpetual Convertible Bonds equal to 100% of the aggregate principal amount of the Perpetual Convertible Bonds of S\$9,000,000 shall be paid to the Company in cash by way of cashier’s order, cheque, telegraphic transfer or such other payment

method as the Parties may agree in writing (i) free of any restriction or condition; (ii) free and clear and without any deduction or withholding for or on account of any tax; and (iii) without deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

(e) Indemnity

The Subscriber has agreed to indemnify, defend and hold harmless the Company (and its directors, officers, employees, agents, representatives, affiliates, successors and assigns) 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 Company may at any time and from time to time sustain, incur or suffer by reason of:

- (i) any non-compliance by the Subscriber with the applicable requirements under the Companies Act, the SFA, the Code, the Catalist Rules and applicable laws (to the extent that such laws relates to or affects the subscription); and
- (ii) any breach by the Subscriber of its representations, warranties and undertakings contained in the Subscription Agreement.

(f) 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 Subscription Agreement and the transactions contemplated therein.

(g) Governing Law and Jurisdiction

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

In relation to any legal action or proceeding arising out of or in connection with the Subscription Agreement and the transactions contemplated therein, the Parties hereby irrevocably submit to the exclusive jurisdiction of the courts of Singapore.

Shareholders' Approval for the Proposed Issuance

Chapter 8 of the Catalist Rules

Pursuant to Catalist Rule 803, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

Assuming that the Proposed Issuance was completed, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds and 10,000,000,000 Exercised Shares were issued upon exercise of all of the Warrants, the Subscriber will hold 12,700,270,027 ordinary shares in the Company, representing 89.66% of the enlarged total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 14,164,728,741 ordinary shares.

Accordingly, the Company will be convening an extraordinary general meeting to seek approval of shareholders of the Company for the transfer of a controlling interest to the Subscriber in connection with the Proposed Issuance.

Pursuant to:

- (a) Catalyst Rule 805, except as provided in Catalyst Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for, *inter alia*, the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer.
- (b) Catalyst Rule 824, every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in general meeting.
- (c) Catalyst Rule 812, an issue must not be placed to, *inter alia*, (i) the issuer's directors and substantial shareholders; (ii) immediate family members of the directors and substantial shareholders; (iii) substantial shareholders, related companies, associated companies and sister companies of the issuer's substantial shareholders; (iv) corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%; or (v) any person who, in the opinion of the SGX-ST, falls within category (i) to (iv), unless specific shareholder approval for such a placement has been obtained and the person, and its associates, must abstain from voting on the resolution approving the placement.

Mr Heilesen, who is a director and controlling shareholder of the Company, holds shares in the Subscriber representing approximately 59.14% of the total issued share capital of the Subscriber. Therefore, the Subscriber is a corporation in whose shares the Company's directors and substantial shareholders have an aggregate interest of at least 10% and specific shareholder approval for the Proposed Issuance is required.

Accordingly, the Company will be convening an extraordinary general meeting to seek specific shareholders' approval from independent shareholders of the Company for the Proposed Issuance. Mr Heilesen, the Subscriber and their associates shall abstain from voting on the resolution approving the Proposed Issuance in accordance with Catalyst Rule 812(2).

The Proposed Issuance is inter-conditional with the Proposed Subscription.

Chapter 9 of the Catalyst Rules

The Subscriber is an associate of Mr Heilesen, who is a director of the Company. Therefore, the Subscriber is an "interested person" under Chapter 9 of the Catalyst Rules and the Proposed Issuance is an "interested person transaction" under Chapter 9 of the Catalyst Rules.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020, the Group's latest audited net tangible assets ("**NTA**") amounts to approximately S\$9.0 million.

The current total of all transactions (excluding transactions less than S\$100,000) with Mr Heilesen, the Subscriber and their associates for the period commencing on 1 January 2021 up to the date of this announcement is set out in the table below.

Description of Transaction	Before Completion of the Proposed Issuance		After Completion of the Proposed Issuance	
	Amount	% ⁽¹⁾	Amount	% ⁽¹⁾
Proposed Acquisition of Golden Ultra Limited from Mr Heilesen	S\$19.2 million ⁽²⁾	213.33%	S\$19.2 million ⁽²⁾	213.33%
Proposed Issuance of Perpetual Convertible Bonds and Warrants to the Subscriber by the Company	-	-	S\$9.0 million	100%

Description of Transaction	Before Completion of the Proposed Issuance		After Completion of the Proposed Issuance	
	Amount	% ⁽¹⁾	Amount	% ⁽¹⁾
Total	S\$19.2 million	213.33%	S\$28.2 million	313.33%

Notes:

- (1) As a percentage of the Group's latest audited NTA of approximately S\$9.0 million.
- (2) HK\$110 million equivalent to approximately S\$19.2 million.
- (3) Not meaningful. The Perpetual Convertible Bonds will be perpetual convertible bonds and will have no fixed maturity date. Save for where certain prescribed circumstances as detailed under the section titled "Redemption" occur, the Perpetual Convertible Bonds may be redeemed at the option of the Company at any time after the date falling three years from the date of issue of the Perpetual Convertible Bonds.

The current total of all interested person transactions (excluding interested person transactions less than S\$100,000) for the period commencing on 1 January 2021 up to the date of this announcement is set out in the table below.

Description of Transaction	Before Completion of the Proposed Issuance		After Completion of the Proposed Issuance	
	Amount	% ⁽¹⁾	Amount	% ⁽¹⁾
Proposed Acquisition of Golden Ultra Limited from Mr Heilesen	S\$19.2 million ⁽²⁾	213.33%	S\$19.2 million ⁽²⁾	213.33%
Proposed Issuance of Perpetual Convertible Bonds and Warrants to the Subscriber by the Company	-	-	S\$9.0 million	100%
Total	S\$19.2 million	213.33%	S\$28.2 million	313.33%

Notes:

- (1) As a percentage of the Group's latest audited NTA of approximately S\$9.0 million.
- (2) HK\$110 million equivalent to approximately S\$19.2 million.
- (3) Not meaningful. The Perpetual Convertible Bonds will be perpetual convertible bonds and will have no fixed maturity date. Save for where certain prescribed circumstances as detailed under the section titled "Redemption" occur, the Perpetual Convertible Bonds may be redeemed at the option of the Company at any time after the date falling three years from the date of issue of the Perpetual Convertible Bonds.

Shareholders' Approval

Pursuant to:

- (a) Catalist Rule 805, except as provided in Catalist Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for, *inter alia*, the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer.
- (b) Catalist Rule 824, every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in general meeting.
- (c) Catalist Rule 812, an issue must not be placed to, *inter alia*, (i) the issuer's directors and substantial shareholders; (ii) immediate family members of the directors and substantial shareholders; (iii) substantial shareholders, related companies, associated companies and sister companies of the issuer's substantial shareholders; (iv) corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%; or (v) any person who, in the opinion of the SGX-ST, falls within category (i) to (iv), unless specific

- shareholder approval for such a placement has been obtained and the person, and its associates, must abstain from voting on the resolution approving the placement.
- (d) Catalyst Rule 906(1), an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than (a) 5% of the group's latest audited net tangible assets; or (b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.
 - (e) Catalyst Rule 919, in a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

Christian Kwok-Leun Yau Heilesen, who is a director and substantial shareholder of the Company, holds shares in the Subscriber representing approximately 59.14% of the total issued share capital of the Subscriber. Therefore, the Subscriber is a corporation in whose shares the Company's director and substantial shareholders have an aggregate interest of at least 10% and specific shareholders' approval for the Proposed Issuance is required. Accordingly, the Proposed Issuance is an "interested person transaction" under Chapter 9 of the Catalyst Rules of a value more than 5% of the Group's latest audited NTA.

Accordingly, the Company will be convening an extraordinary general meeting to seek specific shareholders' approval from independent shareholders of the Company for the Proposed Issuance. Mr Heilesen, the Subscriber and their associates shall abstain from voting on the resolution approving the Proposed Issuance in accordance with Catalyst Rules 812(2) and 919 .

Statement by the Special Committee

The members of the Audit Committee comprise Mr Chay Yiowmin (who is considered independent for the purposes of the Proposed Issuance) and Mr Leung Kwok Kuen Jacob, Mr Leung Yu Tung Stanley and Ms Zhou Jia Lin (who are considered not independent for the purposes of the Proposed Issuance).

Accordingly, the Company has constituted a special committee (the "**Special Committee**") comprising Mr Chay Yiowmin and Mr Han Meng Siew to form a view on the Proposed Issuance. An independent financial adviser will be appointed to advise the Special Committee in connection with the Proposed Issuance, which will be announced subsequently.

The Special Committee will obtain an opinion from the independent financial adviser before forming its view on the Proposed Issuance.

A circular containing the opinion of the independent financial adviser and the opinion of the Special Committee on whether the Proposed Issuance is on normal commercial terms and whether the Proposed Issuance is prejudicial to the interests of the Company and its minority shareholders will be sent to shareholders of the Company in due course.

Confirmation by the Board

The Board confirms that:

- (a) After taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the foregoing, the

- Company has decided to undertake the Proposed Issuance for the reasons set out in the section titled “Rationale for the Proposed Issuance” of this announcement; and
- (b) After taking into consideration the Group’s present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Dilution Effect

	As at the date of this announcement		Scenario A ⁽¹⁾		Scenario B ⁽²⁾	
	Number of Shares	% ⁽³⁾	Number of Shares	% ⁽⁴⁾	Number of Shares	% ⁽⁵⁾
<u>Directors of the Company</u>						
Christian Kwok-Leun Yau Heilesen	171,314,400 ⁽⁶⁾	11.70	2,871,584,427 ⁽⁷⁾	68.95	12,871,584,427 ⁽⁸⁾	90.87
Han Meng Siew ⁽⁹⁾	27,881,640	1.90	27,881,640	0.67	27,881,640	0.2
<u>Substantial Shareholders of the Company</u>						
Zheng Ze Li	102,050,000	6.97	102,050,000	2.45	102,050,000	0.72
Incredible Holdings Ltd.	-	-	2,700,270,027	64.84	12,700,270,027	89.66
Other Shareholders	1,163,212,674	79.43	1,163,212,674	27.93	1,163,212,674	8.21
Total	1,464,458,714	100.00	4,164,728,741	100.00	14,164,728,741	100.00

Notes:

- (1) Assuming that the Proposed Issuance was completed and 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds.
- (2) Assuming that the Proposed Issuance was completed, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds and 10,000,000,000 Exercised Shares were issued upon exercise of all of the Warrants.
- (3) Based on the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 1,464,458,714 ordinary shares as at the date of this announcement.
- (4) Based on the enlarged total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 4,164,728,741 ordinary shares assuming Scenario A.
- (5) Based on the enlarged total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 14,164,728,741 ordinary shares assuming Scenario B.
- (6) Mr Christian Kwok-Leun Yau Heilesen is deemed to have an interest in 171,314,400 ordinary shares in the Company held by Mission Well Limited.
- (7) Mr Christian Kwok-Leun Yau Heilesen is deemed to have an interest in 171,314,400 ordinary shares in the Company held by Mission Well Limited and will be deemed to have an interest in 2,700,270,027 ordinary shares in the Company held by Incredible Holdings Ltd..
- (8) Mr Christian Kwok-Leun Yau Heilesen is deemed to have an interest in 171,314,400 ordinary shares in the Company held by Mission Well Limited and will be deemed to have an interest in 12,700,270,027 ordinary shares in the Company held by Incredible Holdings Ltd..
- (9) Mr Han Meng Siew holds 11,390,640 ordinary shares in the Company and is deemed to have an interest in 16,491,000 ordinary shares in the Company held by his spouse, Mdm Goh Siok Kuan.

Financial Effects

The financial effects of the Proposed Issuance on the NTA per share and the loss per share (“LPS”) 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:
 - (i) the following transactions (collectively, the “**Announced Transactions**”) were completed on 31 December 2020:
 - (1) the First Placement Exercise;
 - (2) the proposed acquisition of 85 shares in a private limited company to be incorporated in the British Virgin Islands (the “**Gadmobe**”), representing 85% of the issued share capital of Gadmobe, through Cyber Sail Global Limited, a wholly owned direct subsidiary of the Company (the “**Proposed Gadmobe Acquisition**”)⁴;
 - (3) the proposed acquisition of 550 shares in Golden Ultra Limited (“**Golden Ultra**”), representing 55% of the issued share capital of Golden Ultra (the “**Proposed Golden Ultra Acquisition**”)⁵; and
 - (4) the Second Placement Exercise;
 - (ii) the Announced Transactions and the Proposed Issuance were completed on 31 December 2020 and no conversion of shares took place (“**Scenario C**”);
 - (iii) the Announced Transactions and the Proposed Issuance were completed on 31 December 2020 and 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds on 31 December 2020 (“**Scenario D**”); and
 - (iv) the Announced Transactions and the Proposed Issuance were completed on 31 December 2020, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds on 31 December 2020 and 10,000,000,000 Exercised Shares were issued upon exercise of all of the Warrants on 31 December 2020 (“**Scenario E**”);
- (b) the financial effects on the LPS of the Group are computed assuming that:
 - (i) the Announced Transactions were completed on 1 January 2020;
 - (ii) the Announced Transactions and the Proposed Issuance were completed on 1 January 2020 and no conversion of shares took place (“**Scenario F**”);
 - (iii) the Announced Transactions and the Proposed Issuance were completed on 1 January 2020 and 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds on 1 January 2020 (“**Scenario G**”); and

⁴ Shareholders of the Company are advised to read the full text of the announcements made by the Company on 12 October 2021, 14 October 2021 and 31 December 2021, which are available on SGXNET, for further details on the Proposed Gadmobe Acquisition.

⁵ Shareholders of the Company are advised to read the full text of the announcements made by the Company on 12 October 2021, 14 October 2021, 22 October 2021 and 31 December 2021, which are available on SGXNET, for further details on the Proposed Golden Ultra Acquisition.

- (iv) the Announced Transactions and the Proposed Issuance were completed on 1 January 2020, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds on 1 January 2020 and 10,000,000,000 Exercised Shares were issued upon exercise of all of the Warrants on 1 January 2020 (“**Scenario H**”);
- (c) no adjustments have been made to the Conversion Price, the number of Warrants and the Exercise Price; and
- (d) the costs and expenses in connection with the Proposed Issuance shall be disregarded.

Financial Effects on NTA per Share of the Group

	Before Completion of the Proposed Issuance	Scenario C	Scenario D	Scenario E
NTA as at 31 December 2020 (S\$'000)	9,001	9,001	18,001	53,331
Number of shares in the Company, excluding treasury shares and subsidiary holdings	1,464,458,714	1,464,458,714	4,164,728,741	14,164,728,741
NTA per share of the Group (Singapore cents)	0.61	0.61	0.43	0.36

Financial Effects on LPS of the Group

	Before Completion of the Proposed Issuance	Scenario F	Scenario G	Scenario H
Net earnings for the financial year ended 31 December 2020 (S\$'000)	(2,765)	(2,815)	(2,815)	(2,815)
Weighted average number of shares in the Company, excluding treasury shares and subsidiary holdings	1,464,458,714	1,464,458,714	4,164,728,741	14,164,728,741
LPS of the Group (Singapore cents)	(0.19)	(0.19)	(0.07)	(0.02)

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.

Proposed Distribution by way of Proposed Capital Reduction by the Subscriber

The Company understands that the Subscriber intends to undertake a capital reduction (the “**Proposed Capital Reduction**”) pursuant to Section 78C of the Companies Act and return to its shareholders surplus capital of the Subscriber in excess of its needs by way of a distribution *in specie* (the “**Proposed Distribution**”) a certain number of Warrants to its shareholders in proportion to their respective shareholdings in the Subscriber as at a record date, fractional entitlements to be disregarded.

Shareholders of the Company may read announcements made or to be made by the Subscriber via SGXNET for further details.

Service Contracts

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

Interests of Directors and Substantial Shareholders

Mr Heilesen, who is a director and controlling shareholder of the Company, is a director and a controlling shareholder of the Subscriber.

Mr Leung Kwok Kuen Jacob, Mr Leung Yu Tung Stanley and Ms Zhou Jia Lin, who are directors of the Company, are directors of the Subscriber.

Save as disclosed above, none of the directors and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Issuance, other than through their respective shareholdings in the Company, if any.

Documents Available for Inspection

A copy of the Subscription Agreement may be inspected at the Company’s registered address at 4 Leng Kee Road #06-04 SIS Building Singapore 159088 during normal business hours for three months from the date of this announcement.

Circular and Extraordinary General Meeting

The Board will be convening an extraordinary general meeting to seek:

- (a) shareholders’ approval from shareholders of the Company for the Proposed Issuance;
- (b) shareholders’ approval from shareholders of the Company for the transfer of a controlling interest to the Subscriber in connection with the Proposed Issuance;
- (c) shareholders’ approval from independent shareholders of the Company for the Proposed Issuance pursuant Catalist Rule 812; and
- (d) shareholders’ approval from independent shareholders of the Company for the Proposed Issuance as an “interested person transaction” under Chapter 9 of the Catalist Rules of a value more than 5% of the Group’s latest audited NTA.

A circular to provide shareholders of the Company with relevant information relating to the Proposed Issuance will be sent to all shareholders of the Company in due course.

Directors Responsibility Statement

The directors of the Company 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 Issuance, the Company and its subsidiaries, and the directors of the Company 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 of the Company 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.

Cautionary Statement

Shareholders and potential investors of the Company should note that the Proposed Issuance is subject to conditions precedent and there is no certainty or assurance as at the date of this announcement that the Proposed Issuance 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
Ntegrator International Ltd.

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

1 January 2022

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore:

The Perpetual Convertible Bonds, the Conversion Shares (including further Conversion Shares arising from any adjustments made to the Conversion Price as set out in the terms and conditions of the Perpetual Convertible Bonds), the Warrants and the Exercised Shares (including further Exercised Shares arising from any adjustments made to the Warrants as set out in the terms and conditions of the Warrants in the Deed Poll) are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Gillian Goh, 16 Collyer Quay #10-00 Income at Raffles Singapore 049318, sponsorship@ppcf.com.sg.