



NTEGRATOR INTERNATIONAL LIMITED

(Registration No. 199904281D)

(Incorporated in the Republic of Singapore on 24 July 1999)

PROPOSED APPOINTMENTS OF DIRECTORS AT EXTRAORDINARY GENERAL MEETING PURSUANT TO SECTION 177 OF THE COMPANIES ACT

Unless otherwise defined, capitalised terms in this announcement shall have the same meanings as ascribed to them in the Previous Announcements (as defined below).

The Board of Directors ("**Board**") of NTEGRATOR International Ltd. ("**Company**", together with its subsidiaries, "**Group**") refers to the announcements made by the Company on 28 April 2021, 30 April 2021, 7 May 2021 and 18 May 2021 ("**Previous Announcements**") in relation to the receipt of notice of intention by the Relevant Shareholders to call for an extraordinary general meeting ("**EGM**") pursuant to Section 177 of the Companies Act.

Pursuant to Rule 226(2)(d) and paragraph 5 of the Practice Note 2C of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**"), the Company's sponsor ("**Sponsor**") has conducted its due diligence which includes, *inter-alia*, the Sponsor interviewing each of the Proposed Directors, namely Mr. Christian Kwok-Leun Yau Heilesen ("**Mr. Heilesen**"), Mr. Leung Kwok Kuen Jacob ("**Mr. Jacob Leung**"), Mr. Leung Yu Tung Stanley ("**Mr. Stanley Leung**"), Ms. Zhou Jia Lin ("**Ms. Zhou**"), and Ms. Eunice Veon Koh Pei Lee ("**Ms. Eunice Veon**") as part of its standard procedures for any proposed appointment of new directors of the Company, and has provided its assessment and recommendation to the Board on the suitability of the Proposed Directors ("**Advice**").

The Relevant Shareholders have informed on 20 May 2021 at about 4.48pm that Ms. Eunice Veon Koh Pei Lee has withdrawn her consent to act as a Director of the Company. Accordingly, Ordinary Resolution 5 to approve the appointment of Ms. Eunice Veon as a director of the Company effective immediately upon conclusion of the EGM will be withdrawn and not tabled at the EGM to be held on 21 May 2021.

In addition to the Advice, the Board has also instructed its legal advisers to carry out bankruptcy, litigation, people profile searches in Singapore and in Hong Kong (for the Proposed Directors residing in Hong Kong) ("**Searches**"). The Company has also checked internally and confirmed that none of the Proposed Directors is a supplier or customer of the Group and to the best of the knowledge of the Group, none of the Proposed Directors is a competitor of the Group.

The Board wishes to highlight the following observations, which were, *inter-alia*, highlighted in the Advice, in its assessment of the Proposed Directors:-

Public Reprimand

The Board noted from the disclosures of Mr. Jacob Leung that on 15 October 2019, Bursa Malaysia Securities Berhad ("**Bursa**") had been publicly reprimanded and fined him for breach of the Main Market Listing Requirements of Bursa ("**MMLR**"). Based on the announcement of Industronics Berhad ("**Industronics**"), the reprimand and fine were for failing to ensure that the following were fair and reasonable to Industronics and not to the detriment of the Industronics and its shareholders:-

- the advance/deposit of SGD2.5 million paid to Vashion Group Ltd ("**Vashion**", now known as Incredible Holdings Ltd.) on 9 & 16 July 2014 ("**Deposit**") pursuant to the conditional deposit agreement dated 9 July 2014 in connection with the proposed subscription of shares in Vashion ("**Deposit Agreement**"); and
- the continuing advances to Vashion by virtue of the extensions of the Deposit Agreement until 30 June 2016 via the supplemental agreements dated 30 September 2014, 31 December 2014, 31 March 2015, 30 June 2015, 30 September 2015, 31 December 2015 and/or 31 March 2016.

For further details, please refer to Bursa's website (https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=2994515).

The Company has consulted a Malaysian counsel for legal advice on the matter. The Malaysian counsel has advised that the reprimand and fine imposed by Bursa on an individual does not disqualify such individual from acting as director in companies incorporated in Malaysia pursuant to the Malaysian companies act ("**MCA**") and MMLR, as reprimand and fine are not conviction. In the case of public listed companies or companies intending to be listed in Malaysia, confirmation on whether the directors/ proposed directors have been reprimanded/fined for offences under the MCA or MMLR will be required by the relevant authorities, such as Bursa or Securities Commission Malaysia. The appointment of a director who has been fined/ reprimanded in the past may result in the public listed company in Malaysia being subject to queries by the relevant authorities, despite such director is not disqualified from acting as director pursuant to the MCA or MMLR.

Due to the constraint of time and the constraints brought about by the pandemic including the new measures under Phase 2 (Heightened Alert) in Singapore, the Board is unable to obtain sufficient information for completing the necessary assessment on Mr. Jacob Leung's suitability *inter-alia* the reasons and background for the public reprimand.

The Sponsor has advised the Board to consider the concerns and the matter carefully (together with *inter-alia* his directorships in other companies), in determining, *inter-alia*, the reasons and background for the public reprimand and Mr. Jacob Leung's suitability to act as a director and/or Independent Non-Executive Director or Independent Non-Executive Chairman of the Company and suggest to require Mr. Jacob Leung to satisfy the NC and/or demonstrate how he is still able to discharge his fiduciary duties and obligations in view of the public reprimand, and the NC can assess his suitability after taking into account the representation of Mr. Jacob Leung.

After considering, *inter-alia*, the Advice, the legal advice of the Malaysian counsel and the information available, the Board concurred with the Sponsor on its observations that based on information available, *inter-alia*, status of the matter, the said public reprimand prima facie may have a significance on Mr. Jacob Leung's potential suitability to act as director and/or independent non-executive director or independent non-executive chairman of the Company and seek such additional information as may be needed on *inter-alia*, the reasons and background for the public reprimand.

Having consulted the Company's Singapore legal advisors, the Board notes that Section 177 of the Companies Act (Cap. 50) ("**Companies Act**") gives members (with a minimum proportion of voting rights) the power to convene a general meeting themselves without the need to involve the Board and the Company's Singapore legal advisors also advised that the Board has no power under the Companies Act to prevent the resolution to appoint Mr. Jacob Leung as a director of the Company from being tabled and resolved at the EGM convened under Section 177 of the Companies Act. The Company's Singapore legal advisors has also advised the Board that taking into consideration that Mr. Jacob Leung has voluntarily disclosed the public reprimand to the Company, the Board may want to give him an opportunity to present his full case before the Board or a committee of the Board to demonstrate how he is still able to discharge his fiduciary duties and obligations in view of the public reprimand.

Having considered the advice of the Company's Singapore legal advisors and the fact that the current members of the Board will not remain at the conclusion of the EGM, the Board recommends that in the event the shareholders of the Company resolve to pass the tabled resolution to appoint Mr. Jacob Leung, the new nominating committee of the Company ("**New NC**") should require Mr. Jacob Leung to demonstrate how he is still able to discharge his fiduciary duties and obligations in view of the public reprimand, and the New NC can assess his suitability after taking into account *inter-alia* the representation of Mr. Jacob Leung.

Commonality of directorship

The Board noted from the disclosures made by the Proposed Directors, the Advice and the Searches that:-

- (a) All the Proposed Directors are present directors of Incredible Holdings Ltd. (formerly known as Vashion) ("**Incredible**").
- (b) Each of Mr. Jacob Leung, Mr. Stanley Leung and Ms. Zhou is or was a director of Echo International Holdings Group Limited ("**Echo**"). There were overlapping periods when (i) both Mr. Jacob Leung and Ms. Zhou were directors of Echo; and (ii) both Mr. Jacob Leung and Mr. Stanley Leung were directors of Echo.

The Sponsor had also informed the Board that it was the continuing sponsor for Incredible during the period 1 July 2014 to 22 September 2018.

The Board and the Sponsor noted, *inter-alia*, the broader definition of Independent Director under Provision 2.1 of the Code of Corporate Governance 2018 being "*independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company*", and as such there may be concerns on, *inter-alia*, perceived "non-independence" given their past directorships or common directorship.

The Sponsor has recommended that the Board or the New NC of the Company to review immediately the need for and address the requirement for, *inter-alia*, additional independent directors or executive directors (to address where applicable concerns on existing directorships held by the only proposed executive director) for the Company or change the composition of the board taking into account, *inter-alia*, the matters stated as well as the size of the Company, its operations and efficacy (including cost). In the Advice, the Sponsor indicated the need for an appropriate level of independence and diversity of thought and background in the Board and proposed that the Board should consider, *inter-alia*, after review appointing additional independent directors or executive directors.

While the Board does not rule it as an impediment to the independency of the Board, the Board also considered the Advice and the principle 2 of the Code of Corporate Governance 2018 ("**CG 2018**") requiring a listed company board to have an appropriate level of independence and diversity of thought and background in its composition. The Board concurs with the Sponsor that appointing additional independent directors or executive directors will increase the level of independence and diversity of thought and background in the Board, and accordingly recommends that the New NC to consider subject to, *inter-alia*, compliance with Rules, corporate governance etc, whether the appointment of at least another independent director to the Board and the candidate should preferably not sit in the same board in other companies with any of the Proposed Directors.

Directorships

The Board noted from the disclosures made by the Proposed Directors, the Advice and the Searches and its own deliberations that both Mr. Jacob Leung and Mr. Heilesen hold a number of present directorships including in another Catalyst-listed company, being Incredible., and there are concerns on *inter-alia* Mr. Jacob Leung and Mr. Heilesen's ability to devote sufficient time and resources in view of their multiple commitments. The Board noted that in the event that Mr. Heilesen is appointed as the executive director of the Company at the EGM, he will be the sole executive director for Incredible and the Company. According to principle 1.5 of the CG2018, directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

After taking into account the Advice, the Board recommends that Mr. Heilesen seeks a confirmation from, *inter-alia*, Incredible's nominating committee that they have no objection for him to take up his appointment with the Company. In the Advice, the Sponsor has also expressed concerns on Mr. Heilesen's and Mr. Jacob Leung's ability to devote sufficient time and resources in view of his multiple commitments. The Board shares the same concerns. Accordingly, the Board recommends that in the event the shareholders of the Company resolve to pass the tabled resolution to appoint Mr. Heilesen, the New NC should consider the mechanism to ensure that Mr. Heilesen and other directors with multiple directorships devote sufficient time to the affairs the Group in view of the multiple directorships.

Relevant experience

In the Advice, the Sponsor have suggested that each of the Proposed Directors familiarise himself immediately of the business and industry that the Company operates in and where appropriate the relevant briefings or induction, training and development be provided to each of them. The Board has directed the Company to assist Mr. Heilesen and other Proposed Directors to familiarise the business and industry that the Group operates in.

Conclusion

Furthermore, as the Relevant Shareholders have informed the Company on 20 May 2021 at about 4:48pm that Ms. Eunice Veon Koh Pei Lee has withdrawn her consent to act as a Proposed Director of the Company, the Sponsor has requested that the Board or where applicable the Proposed Directors review the Company's compliance with, *inter-alia*, the Companies Act requirements for local director, as this may have implications on, *inter-alia*, suitability of directors as a whole, its composition, size, diversity, etc for compliance.

Having considered the Advice, the advice from the Company's Singapore legal advisor and Malaysian counsel, the Searches and internal checks, save for the above (in particular, the public reprimand on Mr. Jacob Leung), nothing has come to the Board's attention to cause it to believe that any of the Proposed Directors is disqualified or not suitable to be a director or independent director (as the case may be) of the Company.

Due to the constraint of time, the reduced size of the Board and the constraints brought about by the pandemic including the new measures under Phase 2 (Heightened Alert) in Singapore, the assessments and views of *inter-alia* the Board may not be complete. The Board recommends that the New NC continues to review and assess the composition of the Board and the suitability of each Proposed Director appointed at the EGM and update shareholders accordingly.

Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the subject matter of this announcement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By order of the Board

Shirley Lim/Kenneth Sw
Company Secretaries

21 May 2021

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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