



NTEGRATOR International Ltd.

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

The Proposed Share Consolidation The Proposed Renounceable Non-Underwritten Rights cum Warrants Issue

1. Introduction

1.1 The board of directors (the “**Board**”) of NTEGRATOR International Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that:

- (a) the Company is proposing to, in conjunction with and immediately prior to the Rights cum Warrants Issue, undertake a share consolidation of every three (3) existing issued ordinary shares (“**Shares**”) in the capital of the Company held by shareholders of the Company (“**Shareholders**”) as at a time and date to be determined by the directors (the “**Share Consolidation Record Date**”) into one (1) ordinary share (the “**Consolidated Shares**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”); and
- (b) subject to and conditional upon the completion of the Proposed Share Consolidation, the Company is proposing to undertake a renounceable non-underwritten rights cum warrants issue on the basis of fifteen (15) Rights Shares for every one (1) Consolidated Share held by shareholders of the Company (“**Shareholders**”) as at a time and date to be determined by the directors (the “**Record Date**”), with two (2) Warrant A, two (2) Warrant B, two (2) Warrant C, two (2) Warrant D and two (2) Warrant E for every fifteen (15) Rights Share subscribed by the Shareholder, fractional entitlements to be disregarded, of up to 8,890,293,570 new ordinary shares (post-share consolidation) in the capital of the Company (“**Rights Shares**”) at an issue price of S\$0.01 for each Rights Share (the “**Issue Price**”), with up to 5,926,862,380 free detachable warrants (“**Warrants**”), every one (1) Warrant, in the form of Warrant A, Warrant B, Warrant C, Warrant D and Warrant E, each granting the holder thereof the right to subscribe for one (1) new ordinary share in the capital of the Company (“**New Shares**”) at an exercise price of S\$0.0504 for each Warrant A (“**Warrant A Exercise Price**”), S\$0.03864 for each Warrant B (“**Warrant B Exercise Price**”), S\$0.0264 for each Warrant C (“**Warrant C Exercise Price**”), S\$0.015 for each Warrant D (“**Warrant D Exercise Price**”) and a 30% discount to the 30-day volume weighted average price to be determined on the expiration date, subject to a ceiling of an exercise price of S\$0.045, for each Warrant E (“**Warrant E Exercise Price**”) (collectively, the “**Warrant Exercise Price**”) (the “**Proposed Rights cum Warrants Issue**”). Shareholders should note that the Rights cum Warrants Issue will only be undertaken after, and is conditional upon the completion of, the Proposed Share Consolidation.

For the avoidance of doubt, the Issue Price and for each Rights Share, Warrant A Exercise Price, Warrant B Exercise Price, Warrant C Exercise Price, Warrant D Exercise Price and Warrant E Exercise Price for each Warrant referred to in the announcement is post-share consolidation. The pre-share consolidation for Issue Price, Warrant A Exercise Price, Warrant B Exercise Price, Warrant C Exercise Price, Warrant D Exercise Price and Warrant E Exercise Price is S\$0.003333, S\$0.0168, S\$0.0128, S\$0.0088, S\$0.005 and S\$0.005 respectively.

The Warrants are expected to be listed and traded on the Catalist of the SGX-ST, subject to there being a sufficient spread of holdings of the Warrants to provide an orderly market for the Warrants.

1.2 Principal terms of the Proposed Rights cum Warrants Issue

Principal Terms of the Issue

<u>Description</u>	<u>Price</u>
<p>The Issue Price represents a discount of 52.38% to the weighted average price of S\$0.021 (post-share consolidation) 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 date of this announcement dated on 31 December 2021.</p> <p>Warrant A Issue Price: S\$0.0504 for each New Share Warrant B Issue Price: S\$0.03864 for each New Share Warrant C Issue Price: S\$0.0264 for each New Share Warrant D Issue Price: S\$0.015 for each New Share Warrant E Issue Price: To be determined on the expiration date of Warrant E, based on a 30% discount to the 30-day volume weighted average price on the expiration date, subject to a ceiling of an exercise price of S\$0.045, for each New Share</p>	<p>: Issue Price: S\$0.01 for each Rights Share (effective price: S\$0.0176)</p>
<p>Discount (specifying benchmarks and periods)</p>	<p>: The Issue Price of S\$0.01 for each Rights Share represents a discount of approximately:</p> <p>(a) 52.38% to the closing price of S\$0.021 (post-share consolidation) per Share for trades done on Catalist on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021); and</p> <p>(b) 49.11% to the theoretical ex-rights price of S\$0.0107 per Share, based on the closing price of S\$0.021 (post-share consolidation) per Share on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021).</p>

Warrant A

The Warrant A Exercise Price of S\$0.0504 for each New Share represents a premium of approximately:

- (a) 140% to the closing price of S\$0.021 (post-share consolidation) per Share for trades done on Catalist on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021); and
- (b) 371.58% to the theoretical ex-rights price of S\$0.0107 per Share, based on the closing price of S\$0.021 (post-share consolidation) per Share on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021).

Warrant B

The Warrant B Exercise Price of S\$0.03864 for each New Share represents a premium of approximately:

- (a) 84% to the closing price of S\$0.021 (post-share consolidation) per Share for trades done on Catalist on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021); and
- (b) 261.54% to the theoretical ex-rights price of S\$0.0107 per Share, based on the closing price of S\$0.021 (post-share consolidation) per Share on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021).

Warrant C

The Warrant C Exercise Price of S\$0.0264 for each New Share represents a premium of approximately:

- (a) 25.71% to the closing price of S\$0.021 (post-share consolidation) per Share for trades done on Catalist on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021); and
- (b) 147.02% to the theoretical ex-rights price of S\$0.0107 per Share, based on the closing price of S\$0.021 (post-share consolidation) per Share on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021).

Warrant D

The Warrant D Exercise Price of S\$0.015 for each New Share represents a discount of approximately:

- (a) 28.57% to the closing price of S\$0.021 (post-share consolidation) per Share for trades done on Catalist on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021); and

The Warrant D Exercise Price of S\$0.015 for each New Share represents a premium of approximately:

- (b) 40.35% to the theoretical ex-rights price of S\$0.0107 per Share, based on the closing price of S\$0.021 (post-share consolidation) per Share on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021).

Warrant E

The discount/premium for Warrant E is not meaningful.

Please refer to **Paragraph 3.3** of this announcement for further details.

Effective Price
assuming all

: S\$0.01769

- Warrants are exercised : Taking into consideration of Warrants A, Warrant B, Warrant C and Warrant D, and assuming the 30 day VWAP from 30 December 2021 for Warrant E, the effective price of the rights issue is a discount of 15.74% at S\$0.021 (post-share consolidation) per Share for trades done on Catalist on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021)
- Allotment Ratio : Fifteen (15) Rights Shares for every one (1) Consolidated Share held by Shareholders as at the Record Date.
- Two (2) Warrant A, two (2) Warrant B, two (2) Warrant C, two (2) Warrant D and two (2) Warrant E for every Fifteen (15) Rights Shares subscribed.
- Use of Proceeds : The proceeds arising from the Proposed Rights cum Warrants Issue will be utilised for (a) repayment of promissory notes in relation to the acquisition of Golden Ultra Limited; (b) repayment of promissory notes in relation to the acquisition of Gadmobee Group; (c) acquisitions; (d) purchase of inventory; and (e) general corporate and working capital purposes to further strengthen the financial position and cash position of the Group in view of the existing working capital requirements of the Company.
- Please refer to **Paragraph 6** of this announcement for further details.
- Purpose of Issue : The Company is proposing to undertake the Proposed Rights cum Warrants Issue mainly to fund acquisitions and purchase of inventory, and provide further working capital for its general corporate activities.
- Please refer to **Paragraph 5** of this announcement for further details.

2. Details of the Proposed Share Consolidation

2.1 Overview of the Proposed Share Consolidation

In conjunction with, and immediately prior to the completion of, the Rights cum Warrants Issue, the Company proposes to undertake the Proposed Share Consolidation.

Under the Proposed Share Consolidation, every three (3) existing Shares registered in the name of each Shareholder will be consolidated into one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* with each other, and will be traded in board lots of 100 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of existing Shares as at the Share Consolidation Record Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional Shares arising upon the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (a) disregarding the fractional entitlements; or (b) if practical and permissible, aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractional Shares which are disregarded. Notwithstanding the above, Shareholders should note that the Proposed Share Consolidation is subject to such approvals and conditions as described in paragraph 2.5 below.

Shareholders whose shareholdings, as at the Share Consolidation Record Date, is less than three (3) existing Shares or multiples of three (3) existing Shares should note that the Proposed Share Consolidation may result in (a) such Shareholders being no longer Shareholders or (b) rounding down

to the nearest whole Consolidated Share with any fractions of Consolidated Shares (arising from the Proposed Share Consolidation) being disregarded. Accordingly, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. They may, subject to such advice on actions that they should take and their own investment policies and risk/return requirements, consider the possibility of purchasing additional Shares so as to increase the number of existing Shares held to multiples of three (3) existing Shares prior to the Share Consolidation Record Date.

Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in odd lots on the SGX-ST should note that the SGX-ST's unit share market is available to allow trading in odd lots with a minimum size of one (1) Consolidated Share on the SGX-ST. The unit share market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying Consolidated Shares. As odd lots of Consolidated Shares can be traded on the unit share market of the SGX-ST, no separate arrangement will be made for the trading of such odd lots. The unit share market for trading of such odd lots may be illiquid. Shareholders who hold odd lots may have to bear disproportionate transaction costs in trading their shares and may find difficulty in realising the fair market price of such Consolidated Shares. Shareholders who wish to trade on the unit share market should contact their stockbroker, bank manager, or other professional adviser for details on trading.

2.2 Share Capital and Outstanding Convertibles

As at the date of this announcement, the Company has (a) an issued and paid-up share capital of 1,464,458,714 Shares (excluding 251,000 treasury shares and nil subsidiary holdings), (b) 133,600,000 warrants, each warrant carrying the right to subscribe for (1) new Share.

Further, the Company has entered into an subscription agreement whereby it will issue (a) perpetual convertible bonds of an aggregate principal amount of S\$9,000,000 which shall, at the option of the holder thereof, be convertible into new ordinary shares in the Company (the "**Conversion Shares**") and (b) 10,000,000,000 free warrants ("**Free Warrants**") to Incredible Holdings Ltd ("**Incredible**") with each warrant carrying the right to subscribe for one (1) new Share (the "**Proposed Issuance**"). Please refer to the announcement announced on 31 December 2021 titled "Proposed Issuance of Perpetual Convertible Bonds and Warrants - Entry into Subscription Agreement" for further details.

Assuming:

- (a) the Proposed Issuance is approved by shareholders of the Company and Incredible thereafter converts part of the perpetual convertible bonds into 180,000,000 Conversion Shares and no Free Warrants are converted on or prior to the Share Consolidation Record Date. as, Incredible has undertaken that it will not (i) acquire the Perpetual Non-Convertible Bonds, the Perpetual Convertible Bonds and/or the Free Warrants and/or (ii) convert the Perpetual Convertible Bonds and/or exercise the Free Warrants to the extent that would result in a very substantial acquisition or a reverse takeover by Incredible under the Catalist Rules; and
- (b) all warrants existing as at date of this announcement are exercised into new Shares on or prior to the Share Consolidation Record Date,

the Company will have a share capital of approximately 592,686,238 Consolidated Shares (subject to rounding) following the Proposed Share Consolidation.

The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds (if any) of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation and no payment will be made to Shareholders pursuant to the Proposed Share Consolidation. The Proposed Share Consolidation will

not cause any changes to the percentage shareholdings of each Shareholder, other than non-material changes due to rounding.

Save for the 133,600,000 outstanding warrants and the perpetual convertible bonds to be issued, the Company does not have any outstanding convertible securities. The Company had also adopted an employee share option scheme known as the “Ntegrator Employee Share Option Scheme” which has been approved by shareholders at an extraordinary general meeting on 15 December 2021.

Pursuant to the terms and conditions of the warrants, the Proposed Share Consolidation will constitute an event giving rise to adjustments to the exercise price payable for each new Share on the exercise of the warrants and the number of warrants. The Company will release a separate announcement on the adjustments to the warrants as a result of the Proposed Share Consolidation where appropriate.

2.3 Rationale of the Proposed Share Consolidation

The Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

(a) Reduction of volatility of Share price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation. Given its susceptibility to speculation and market manipulation, lowly-priced shares are generally more volatile as compared to higher-priced shares, the Board believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its Share price and reduce fluctuations in the Company's market capitalisation; and (ii) reduce the percentage transaction cost for trading in each board lot of Shares that may arise as a result of the Proposed Rights cum Warrants Issue.

(b) Increase in the market interest and attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the total number of Shares issued and outstanding on completion of the Proposed Rights cum Warrants Issue. In addition, the Proposed Share Consolidation may facilitate corporate actions and also increase market interest and activity in the Shares, and generally make the Shares more attractive to investors, including institutional investors.

Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results described above or benefit all Shareholders, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.4 VWAP per Share

	Highest Price (S\$)	Lowest Price (S\$)	Volume of Traded Shares
July 2021	0.015	0.012	44,352,900
August 2021	0.014	0.009	29,339,600
September 2021	0.013	0.010	13,043,200
October 2021	0.017	0.008	381,885,800
November 2021	0.010	0.007	100,055,300
December 2021	0.008	0.006	363,439,800 ⁽¹⁾

Note

(1) Assuming all outstanding warrants have been exercised and Incredible converts 180,000,000 Conversion Shares on 30 December 2021.

Based on the table above, the share price of the Company was between S\$0.006 and S\$0.015 during the last six months. The Board is of the view that the Proposed Share Consolidation would be attractive to Shareholders and potentially increase market interest.

2.5 Approvals and conditions

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the receipt of the listing and quotation notice (“**LQN**”) from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist of the SGX-ST; and
- (b) the Proposed Share Consolidation being approved by Shareholders at an extraordinary general meeting (“**EGM**”) to be convened.

2.6 Listing and Quotation Notice

The Company will be making an application, through the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) to the SGX-ST for permission to deal in and for the listing of and quotation for the Consolidated Shares on the Catalist of the SGX-ST. An announcement will be made in due course upon receipt of the LQN from the SGX-ST.

A circular containing, *inter alia*, the notice of the EGM and further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

3. **Details of the Proposed Rights cum Warrants Issue**

3.1 Basis of Provisional Allotment

Subject to and conditional upon the completion of the Proposed Share Consolidation, the Company is proposing to undertake the Proposed Rights cum Warrants Issue on a renounceable non-underwritten basis to the Entitled Shareholders (as defined below), on a basis of fifteen (15) Rights Shares for every One (1) Consolidated Share held by Shareholders as at the Record Date, fractional entitlements to be disregarded, and each Warrant A, Warrant B, Warrant C, Warrant D and Warrant E carrying the right to subscribe for one (1) New Share.

3.2 Size of the Proposed Rights cum Warrants Issue

As at the date of this announcement, the Company has an existing issued and paid-up share capital comprising 1,464,458,714 ordinary shares (excluding 251,000 treasury shares and nil subsidiary holdings) (the “**Existing Share Capital**”).

The Company will be making an application, through the Company’s Sponsor, to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares, the Warrants, the New Shares, the adjusted warrants and the new Shares arising from the exercise of the adjusted warrants or convertibles. An appropriate announcement will be made in due course when the Company receives the listing and quotation notice for the Rights Shares, the Warrants, the New Shares, the adjusted warrants and the new Shares arising from the exercise of the adjusted warrants or convertibles.

Maximum Subscription Scenario

For illustrative purposes only, assuming:

- (a) all warrants exercise into new Shares on or prior to the Share Consolidation Record Date; and

- (b) Incredible Holdings Ltd convert part of the perpetual convertible bonds into 180,000,000 Conversion Shares and no Free Warrants are converted on or prior to the Share Consolidation Record Date,

the Company will have a share capital of approximately 592,686,238 Consolidated Shares (subject to rounding) following the Proposed Share Consolidation.

Based on the Existing Share Capital and the above assumption, and assuming that all of the Entitled Shareholders (as defined below) subscribe and pay for their *pro rata* entitlements of the Rights Shares (the “**Maximum Subscription Scenario**”), the Company will issue up to 8,890,293,570 Rights Shares and up to 5,926,862,380 Warrants under the Proposed Rights cum Warrants Issue and the resultant enlarged issued and paid-up share capital of the Company in the Maximum Subscription Scenario after the completion of the Proposed Rights cum Warrants Issue will be (i) 9,482,979,808 Shares (excluding 251,000 treasury shares and nil subsidiary holdings) before the exercise of any Warrants; and (ii) 15,409,842,188 Shares (excluding nil treasury shares and nil subsidiary holdings) after the exercise of all Warrants.

Minimum Subscription Scenario

For illustrative purposes only, based on the Existing Share Capital, and assuming that (i) only the Undertaking Shareholders (as defined below) subscribe and for its entitled Rights Shares, (ii) the shareholding of Undertaking Shareholders will not exceed 29.99% after the completion of the Rights cum Warrants Issue and (iii) none of the Entitled Shareholders (as defined in below) subscribe and pay for their *pro rata* entitlements of the Rights Shares (the “**Minimum Subscription Scenario**”), the Company will issue up to 67,537,858 Rights Shares and up to 45,025,239 Warrants under the Proposed Rights cum Warrants Issue and the resultant enlarged issued and paid-up share capital of the Company in the Minimum Subscription Scenario after the completion of the Proposed Rights cum Warrants Issue will be (i) 615,690,762 Shares (excluding 251,000 treasury shares and nil subsidiary holdings) before the exercise of any Warrants; and (ii) 660,716,001 Shares (excluding nil treasury shares and nil subsidiary holdings) after the exercise of all the Warrants.

3.3 Issue Price

The Issue Price of S\$0.01 for each Rights Share represents a discount of approximately:

- (a) 52.38% to the closing price of S\$0.021(post-share consolidation) per Share for trades done on Catalist on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021); and
- (b) 49.11% to the theoretical ex-rights price of S\$0.0107 per Share, based on the closing price of S\$0.021 (post-share consolidation) per Share on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021).

Warrant A

The Warrant A Exercise Price of S\$0.0504 for each New Share represents a premium of approximately:

- (a) 140% to the closing price of S\$0.021(post-share consolidation) per Share for trades done on Catalist on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021); and
- (b) 371.58% to the theoretical ex-rights price of S\$0.0107 per Share, based on the closing price of S\$0.021 (post-share consolidation) per Share on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021).

Warrant B

The Warrant B Exercise Price of S\$0.03864 for each New Share represents a premium of approximately:

- (c) 84% to the closing price of S\$0.021 (post-share consolidation) per Share for trades done on Catalist on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021); and
- (d) 261.54% to the theoretical ex-rights price of S\$0.0107 per Share, based on the closing price of S\$0.021 (post-share consolidation) per Share on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021).

Warrant C

The Warrant C Exercise Price of S\$0.0264 for each New Share represents a premium of approximately:

- (e) 25.71% to the closing price of S\$0.021 ((post-share consolidation) per Share for trades done on Catalist on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021); and
- (f) 147.02% to the theoretical ex-rights price of S\$0.0107 per Share, based on the closing price of S\$0.021 (post-share consolidation) per Share on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021).

Warrant D

The Warrant D Exercise Price of S\$0.0150 for each New Share represents a discount of approximately:

- (g) 28.57% to the closing price of S\$0.021 (post-share consolidation) per Share for trades done on Catalist on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021); and

The Warrant D Exercise Price of S\$0.0150 for each New Share represents a premium of approximately:

- (h) 40.35% to the theoretical ex-rights price of S\$0.0107 per Share, based on the closing price of S\$0.021 (post-share consolidation) per Share on 30 December 2021 (being the last trading day of the Shares on Catalist immediately prior to the date of this announcement dated 31 December 2021).

Warrant E

The discount/premium for Warrant E is not meaningful.

In arriving at the discounts for the Issue Price, the Warrant A Exercise Price, the Warrant B Exercise Price, the Warrant C Exercise Price, the Warrant D Exercise Price and the Warrant E Exercise Price, the Board took into consideration the following factors:

- (a) the prevailing market conditions and the discount rates of recent rights cum warrants issue transactions on the Catalist Board for the past twelve (12) months;
- (b) to encourage Shareholders to take up their entitlements so as to maintain their shareholdings in the Company and participate in the future growth of the Group

The rationale and benefits for shareholders to hold various classes of warrants is that it provides flexibility to shareholders according to their needs and strategy for their investment plan to the Company. It also provides additional funding for the Company upon the exercise of the warrants from shareholders if the warrants are to be listed.

3.4 Status and Ranking

The Rights Shares will be payable in full upon acceptance and/or application, and when allotted and issued, will rank *pari passu* in all respects with the then existing issued ordinary shares in the capital of the Company, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of issue of the Rights Shares. For this purpose, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Central Depository (Pte) Limited (“**CDP**”) or the Company, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

3.5 Option to Scale Down

Save for the potential transfer of controlling interests to Incredible, Mission Well and Mr Heilesen, depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down a Shareholder’s application to subscribe for the Rights Shares to:

- (a) ensure that the relevant Shareholder does not acquire a controlling interest in the Company as prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting; or
- (b) avoid placing the relevant Shareholder and parties acting in concert with it (as defined in the Singapore Code on Take-overs and Mergers (the “**Code**”)) in the position of incurring a mandatory bid obligation under the Code as a result of other Shareholders not taking up with entitlements of Rights Shares fully.

3.6 Form and Subscription Rights of the Warrants

Up to 1,185,372,476 Warrant A, up to 1,185,372,476 Warrant B, up to 1,185,372,476 Warrant C, up to 1,185,372,476 Warrant D and up to 1,185,372,476 Warrant E to be issued free with the Rights Shares subscribed for, will be in registered form and constituted by a deed poll setting out the terms and conditions of Warrant A, Warrant B, Warrant C, Warrant D and Warrant E (the “**Deed Poll**”). Each Warrant A, Warrant B, Warrant C, Warrant D and Warrant E will, subject to the terms and conditions in the Deed Poll, carry the right to subscribe for:

- (a) one (1) New Share at the Warrant A Exercise Price upon the expiration of 24 calendar months from the date of issue of Warrant A, provided that if such date falls on a day on which the warrants register is closed, then the day immediately preceding such date (as the case may be) shall be the expiration date (“**Warrant A Exercise Period**”);
- (b) one (1) New Share at the Warrant B Exercise Price upon the expiration of 18 calendar months from the date of issue of Warrant B, provided that if such date falls on a day on which the warrants register is closed, then the day immediately preceding such date (as the case may be) shall be the expiration date (“**Warrant B Exercise Period**”);
- (c) one (1) New Share at the Warrant C Exercise Price upon the expiration of 12 calendar months from the date of issue of Warrant C, provided that if such date falls on a day on which the warrants register is closed, then the day immediately preceding such date (as the case may be) shall be the expiration date (“**Warrant C Exercise Period**”);

- (d) one (1) New Share at the Warrant D Exercise Price upon the expiration of 6 calendar months from the date of issue of Warrant D, provided that if such date falls on a day on which the warrants register is closed, then the day immediately preceding such date (as the case may be) shall be the expiration date ("**Warrant D Exercise Period**"); and
- (e) one (1) New Share at the Warrant E Exercise Price upon the expiration of the 12 calendar months from the date of issue of Warrant E, provided that if such date falls on a day on which the warrants register is closed, then the day immediately preceding such date (as the case may be) shall be the expiration date ("**Warrant E Exercise Period**");

(collectively, the "**Exercise Period**").

At the expiry of the respective Exercise Period, any Warrant remaining unexercised shall lapse and cease to be valid for all purposes.

In arriving at the number of Warrants to issue and allot pursuant to the subscription of Rights Shares, fractional entitlements to the Warrants, if any, will be disregarded, and will be disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company.

The Warrants, in the form of Warrant A, Warrant B, Warrant C, Warrant D and Warrant E, are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the Catalist of the SGX-ST under the book-entry (scripless) settlement system, subject to there being a sufficient spread of holdings of the Warrants to provide an orderly market for the Warrants.

The New Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions, the record date of which falls on or after the date of issue of the New Shares, save as may be otherwise provided in the Deed Poll.

The Warrant Exercise Price and the number of Warrants to be held by each holder of the Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company.

The Company shall, not later than one (1) month before the expiry of the Exercise Period (the "**Expiry Date**"), announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall, not later than one (1) month before the Expiry Date, take reasonable steps to notify all holders of the Warrants in writing of the Expiry Date, and such notice shall be delivered by post to the address of the relevant holders of the Warrant(s).

Without prejudice to any provision of the Deed Poll, any material alteration in the terms and conditions of the Warrants to the advantage of the warrant holders is subject to the approval of Shareholders except where the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll.

3.7 Non-underwritten basis

The Proposed Rights cum Warrants Issue will not be underwritten. In view of (i) the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees; and (ii) there being no minimum amount that must be raised from the Proposed Rights cum Warrants Issue, the Company has decided to proceed with the Proposed Rights cum Warrants Issue on a non-underwritten basis.

3.8 Approvals

The Proposed Rights cum Warrants Issue is subject to, *inter alia*, the following conditions:

- (a) the approval of the Shareholders for the Proposed Share Consolidation being obtained at the EGM;

- (b) the receipt of the listing and quotation notice (“**LQN**”) from the SGX-ST for the dealing in, listing of and quotation for the Rights Shares, the Warrants and the New Shares on Catalist and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Rights cum Warrants Issue, and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company;
- (c) the approval of the Shareholders for the Proposed Rights cum Warrants Issue being obtained at the EGM;
- (d) the approval of the Potential Transfer of Controlling Interests pursuant to Catalist Rule 803 being obtained at the EGM;
- (e) the lodgement of the Offer Information Statement together with all the other accompanying documents (if applicable) in connection with the Rights cum Warrants Issue with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore (the “**MAS**”); and
- (f) all other necessary approvals, consents and/or waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights cum Warrants Issue and to give effect to the Rights cum Warrants Issue, being obtained and not having been withdrawn or revoked before the completion of the Rights cum Warrants Issue.

The Company will be seeking specific approval from Shareholders at an EGM in relation to the Proposed Rights cum Warrants Issue. A circular to Shareholders setting out, among other things, the details of, and other relevant information pertaining to the Proposed Rights cum Warrants Issue, together with the notice of the EGM, will be despatched to the Shareholders in due course.

3.9 Listing and Quotation Notice

The Company will be making an application, through the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares, the Warrants, the New Shares, the adjusted warrants and the new Shares arising from the exercise of the adjusted warrants or convertibles on Catalist. An appropriate announcement will be made in due course when the Company receives the listing and quotation notice for the Rights Shares, the Warrants and the New Shares from the SGX-ST.

The terms and conditions of the Proposed Rights cum Warrants Issue are subject to such changes as the directors may deem fit. The final terms and conditions of the Proposed Rights cum Warrants Issue, including the procedures, acceptances and renunciations of applications for the Rights cum Warrants Shares will be contained in an offer information statement (the “**Offer Information Statement**”) (and all its accompanying application forms including any supplementary or replacement documents) to be despatched by the Company to the Entitled Shareholders (as defined below) in due course.

The Offer Information Statement will be lodged with the SGX-ST acting as agent of the MAS, and despatched to Entitled Shareholders in due course following, *inter alia*, the Proposed Rights cum Warrants Issue being approved by the Shareholder at the EGM and subject to the LQN not having been withdrawn or revoked on or prior to the completion of the Proposed Rights cum Warrants Issue. Any Shares will be subject to such conditions (if any) stated therein and should not be taken as an indication of the merits of the Proposed Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, its subsidiaries and/or their securities.

Appropriate announcements in relation to, *inter alia*, the above application, updates of expression of interest, intention and undertakings, despatch of the circular, and lodgement and despatch of the Offer Information Statement will be made in due course.

4. Irrevocable undertakings for the Rights cum Warrants Issue

The Rights cum Warrants Issue will be supported by certain shareholders of the Company, namely Mr Christian Kwok-Leun Yau Heilesen (“**Mr Heilesen**”), through his indirect interest in Mission Well Limited (“**Mission Well**”), and Incredible Holdings Ltd. (“**Incredible**”) (collectively, the “**Undertaking Shareholders**”).

As at the date of this announcement, Mr Heilesen (through Mission Well) has an aggregate deemed interest in 171,314,400 Shares, representing an aggregate interest of approximately 11.7% of the existing issued and paid-up share capital of the Company. Mr Heilesen is the sole shareholder and director of Mission Well, and a controlling shareholder and director of Incredible.

The shareholding interests of the Undertaking Shareholders as at date of this announcement are as follows:

Undertaking Shareholder	Direct Interest		Deemed Interest		Total
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	% ⁽¹⁾
Mission Well Limited	171,314,400	11.7 ⁽²⁾	-	-	171,314,400
Christian Kwok-Leun Yau Heilesen ⁽²⁾	-	-	171,314,400	11.7 ⁽²⁾	171,314,400

Notes:

- (1) Based on the existing issued and paid-up share capital of the Company of 1,464,458,714 ordinary shares.
- (2) Christian Kwok-Leun Yau Heilesen is deemed interested in 171,314,400 shares held by Mission Well Limited as he is the sole shareholder and director of Mission Well Limited.

It is envisaged that Incredible will convert part of the perpetual convertible bonds pursuant to the Proposed Issuance into 180,000,000 conversion shares prior to the Record Date. Subsequent to such conversion, Mr Heilesen (through Mission Well and Incredible) will effectively hold an aggregate interest of 21.36% (based on the enlarged share capital subsequent to the conversion).

To show support for the Rights cum Warrants Issue and to demonstrate their commitment to the Company, each of the Undertaking Shareholders, namely Mission Well, Incredible Holdings Ltd. and Mr Heilesen (collectively referred to as the “**Concert Group**”) have given irrevocable undertakings (the “**Irrevocable Undertakings**”), pursuant to which each of the Undertaking Shareholders has irrevocably undertaken to the Company that, *inter alia*:

- (a) it will not sell, transfer or otherwise deal (as the case may be) with any of the Shares that they own or control as at the date of the Irrevocable Undertakings, during the period between the date of the Irrevocable Undertakings and the Record Date;
- (b) it will fully subscribe and/or procure applications and subscriptions for and pay for and/or procure the payment for the whole of its *pro rata* beneficial entitlement of Rights Shares with Warrants (based on the Maximum Issue Size);
- (c) it will not subscribe and/or procure that the relevant Shareholder shall not subscribe for any Rights Shares with Warrants (based on the Maximum Issue Size) which are not subscribed for or otherwise taken up and/or applied by the other Entitled Shareholders;
- (d) it shall provide evidence in writing from one or more financial institutions in a form which is acceptable to Company and the Sponsor that it has a sufficient amount standing to its credit with the financial institution, sufficient for the purposes of fulfilling their obligations set out in paragraph (b) above;

- (e) it will vote and/or procure the voting of, all of their shareholding, whether held directly or indirectly, in favour of the resolutions relating to the Proposed Share Consolidation and the Proposed Rights cum Warrants Issue at the EGM;
- (f) it warrants and represents that (a) it has the full capacity to make the representations, warranties and undertakings contained in the Irrevocable Undertakings; (b) the representations, warranties and undertakings contained in the Irrevocable Undertakings constitute valid, binding and enforceable obligations on it in accordance with its terms; (c) the making of the representations, warranties and undertakings contained in the Irrevocable Undertakings does not contravene any law, regulation or authorisation binding on them; and (d) it shall not circulate the Irrevocable Undertakings to any third parties without the Company's prior consent;
- (g) it acknowledges that the Company is not obliged to proceed with the Rights cum Warrants Issue and the Company shall have the right to vary any of the terms of the Rights cum Warrants Issue and that the Irrevocable Undertakings will remain in force notwithstanding such variation and that the final terms and conditions of the Rights cum Warrants Issue will be set out in the Offer Information Statement and the accompanying documents to be issued in connection with the Rights cum Warrants Issue, and confirm that the Irrevocable Undertakings will remain in full force and effect notwithstanding such variation;
- (h) it shall do or procure the doing of all such acts, provide all such information, confirmations, undertakings and certificates and execute or procure the execution of all such documents as may be necessary and/or pursuant to any requirements of the SGX-ST, the MAS, the Accounting and Corporate Regulatory Authority ("**ACRA**"), the Securities Industry Council and/or any other regulatory authorities in Singapore, (in each case) in relation to the Rights cum Warrants Issue and all the matters set out in paragraphs (a) to (g) above;
- (i) it shall indemnify and hold harmless the Company from and against any and all losses, liabilities, damages, costs, charges, expenses (including legal fees on a full indemnity basis) and taxes, claims, actions, demands or judgment which are suffered or incurred by or which are instituted, made or alleged against the Company by reason of or in connection with any breach or default of its obligations set out in paragraphs (a) to (h) above, and shall pay to the Company on demand an amount equal to all costs, charges and expenses (including legal fees on a full indemnity basis) which the Company may pay or incur in connection with investigating, disputing or defending any such claims or losses (whether actual, pending or threatened and whether or not the Company is or may be a party to any such claims); and
- (j) it shall not, and/or shall procure that the relevant Shareholder shall not, exercise any of the Warrants to the extent that the aggregate direct and indirect shareholding of the Concert Group in the Company exceeds 90% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings).

The Irrevocable Undertakings are subject to and conditional upon:

- (a) the approval of the Shareholders for the Proposed Share Consolidation being obtained at the EGM;
- (b) the receipt of the LQN from the SGX-ST for the dealing in, listing of and quotation of the Rights Shares, the Warrants, the New Shares, the adjusted warrants and the new Shares arising from the exercise of the adjusted warrants or convertibles on the Catalist and such approval not being withdrawn or revoked as at the completion of the Rights cum Warrants Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (c) the Rights cum Warrants Issue being approved by the Shareholders at the EGM;

- (d) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), by the Company in respect of the Rights cum Warrants Issue with the MAS; and
- (e) all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Rights cum Warrants Issue and to give effect to the Rights cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Rights cum Warrants Issue.

5. Rationale for the Proposed Rights cum Warrants Issue

In view of the proposed acquisition of Golden Ultra Limited and the proposed acquisition of Gadmobie Group, as announced by the Company on 12 October 2021, the Company will require additional financing to fund the said acquisitions. On 30 June 2021, the Company completed the First Placement Exercise and 80% of the net proceeds from the First Placement Exercise has been allocated to fund acquisitions and new businesses. On 29 November 2021, the Company completed the Second Placement Exercise and 100% of the net proceeds from the Second Placement Exercise has been allocated to fund working capital. 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 from the First Placement Exercise is not sufficient to complete the repay the promissory notes to in relation to the acquisition of Golden Ultra Limited and Gadmobie Group.

The Company is proposing to undertake the Proposed Rights cum Warrants Issue primarily to repayment of promissory notes in relation to the acquisition of Golden Ultra Limited and Gadmobie Group, further fund acquisitions, purchase of inventory and provide further working capital for its general corporate activities. The Rights cum Warrants Issue will also (a) further strengthen the financial position and cash position of the Group; (b) provide further working capital for its general corporate activities; (c) provide the Shareholders with an opportunity to participate in the equity of the Company; and (d) will allow the Group to be less reliant on external sources of funding for its general corporate activities.

The Board is also of the view that the Issue Price of the Rights Shares is priced at a sufficiently attractive rate to encourage the subscription of the Rights Shares by the Entitled Shareholders, after taking into account the factors set out in **Paragraph 3.3** of this announcement.

In addition to the proceeds to be received upon the completion of the Proposed Rights cum Warrants Issue, the Company will also receive further proceeds as and when the Warrants are exercised, and the Group's financial position will be improved. The offering of free Warrants will also help the Company to save costs for conducting additional round of fundraising if the exercise rate is high.

Shareholders should note that the Proposed Rights cum Warrants Issue is conditional upon and subject to the approval of shareholders and completion of the Proposed Share Consolidation.

6. Proposed Use of Proceeds

Assuming the Maximum Subscription Scenario, the estimated net proceeds (the “**Net Proceeds**”) from the Proposed Rights cum Warrants Issue is expected to be approximately S\$88.9 million, after deducting estimated costs, expenses and commissions of approximately S\$150,000 incurred in connection with the Proposed Rights cum Warrants Issue.

Assuming the Minimum Subscription Scenario, the Net Proceeds from the Proposed Rights cum Warrants Issue is expected to be approximately S\$0.7 million, after deducting estimated costs, expenses and commissions of approximately S\$150,000 incurred in connection with the Proposed Rights cum Warrants Issue.

The Company's details of the allocation of the use of proceeds from the Rights Shares are set out in the table below:

Proposed Use of Net Proceeds	Allocation of Net Proceeds – Maximum Subscription Scenario (%)	Allocation of Net Proceeds – Minimum Subscription Scenario (%)
Repayment of promissory notes in relation to the acquisition of Golden Ultra Limited ⁽¹⁾	21.60	50.0
Repayment of promissory notes in relation to the acquisition of Gadmobee Group ⁽¹⁾	20.13	50.0
Investment in potential merger and acquisitions business opportunities	25.08	-
Acquisition of hardware, machinery and tools	5.62	-
Purchase of inventory	9.0	-
General corporate and working capital purposes	11.82	-
Research and development	6.75	-
Total	100	100

Note:

- (1) Assuming the acquisition of Golden Ultra Limited and/or Gadmobee Group is not completed, the net proceeds will be reallocated to invest in merger and acquisitions business opportunities.

The estimated net proceeds from the exercise of Warrants (the “**Warrants Net Proceeds**”) from Maximum Subscription Scenario and Maximum Subscription Scenario is expected to be approximately S\$172 million and S\$1.3 million respectively, after deducting estimated costs, expenses and commissions of approximately S\$150,000 incurred in connection with the Proposed Rights cum Warrants Issue.

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

Proposed Use of Net Proceeds	Allocation of Net Proceeds – Maximum Subscription Scenario (%)	Allocation of Net Proceeds – Minimum Subscription Scenario (%)
Repayment of promissory notes in relation to the acquisition of Golden Ultra Limited	-	50
Repayment of promissory notes in relation to the acquisition of Gadmobee Group	-	50
General corporate and working capital purposes	100	-
Total	100	100

Upon completion of the Proposed Rights cum Warrants Issue, and pending the deployment of the Net Proceeds for the abovementioned purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis as the directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated in the Offer Information Statement, and provide a status report on the use of the Net Proceeds in the Company’s interim and full year financial results and annual reports until such

time the Net Proceeds have been fully utilised. Where the Net Proceeds have been used for general corporate and/or working capital purposes, the Company will disclose a breakdown with specific details on the use of the Net Proceeds in the announcements and status reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

Based on the reasonable opinion of the directors as at the date of this Announcement, there is no minimum amount which must be raised from the Proposed Rights cum Warrants Issue taking into consideration the intended use of the Net Proceeds.

7. Potential Transfer of Controlling Interests

7.1 For illustrative purposes only, based on the terms of the Proposed Rights cum Warrants Issue and the Irrevocable Undertakings:

- (a) assuming the Maximum Subscription Scenario, Incredible, Mission Well and Mr Heilesen will hold 1,873,676,800 Shares representing approximately 19.76%; and
- (b) assuming the Minimum Subscription Scenario, Incredible, Mission Well and Mr Heilesen will hold 184,642,658 Shares representing approximately 29.99%;

7.2 Accordingly, a controlling interest in the Company may be transferred to Incredible, Mission Well and Mr Heilesen arising from the allotment and issue of Rights Shares. Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without the prior approval of shareholders in general meeting. Accordingly, the Proposed Rights cum Warrants Issue is conditional upon the approval of Shareholders for the potential transfer of controlling interests in the Company to Incredible, Mission Well and Mr Heilesen arising from the allotment and issue of Rights Shares being obtained at the EGM to be convened ("**Potential Transfer of Controlling Interests**").

8. Cash raised by the Company from the issue of securities in the past 24 months

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**") 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**") 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%
<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, 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 annual reports as may be required under the Catalist Rules.

9. Eligibility of Shareholders to Participate in the Proposed Rights cum Warrants Issue

The Company proposes to provisionally allot the Rights Shares to all Shareholders who are eligible to participate in the Proposed Rights cum Warrants Issue (the “**Entitled Shareholders**”), which comprises Entitled Depositors and Entitled Scripholders, excluding Foreign Shareholders (all as defined below).

9.1 Entitled Depositors

Shareholders whose shares are registered in the name of CDP and whose securities accounts with CDP (“**Securities Accounts**”) are credited with Shares as at the Record Date and whose registered addresses with CDP are in Singapore as at the Record Date (the “**Depositors**”) will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their Securities Account as at the Record Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses in Singapore with CDP as at the Record Date, or if they have registered addresses outside Singapore, they must provide CDP at 9 North Buona Vista Drive #01-19/20 The Metropolis, Singapore 138588 with addresses in Singapore for the service of notices and documents, not later than 5:00 p.m. (Singapore Time) on the date being three (3) market days prior to the Record Date, in order to receive their provisional allotments of Rights Shares with Warrants entitlements.

9.2 Entitled Scripholders

Shareholders whose Shares are not registered in the name of CDP but whose names appear in the Register of Members of the Company with registered addresses in Singapore as at the Rights Book Closure Date (the “**Scripholders**”) will be provisionally allotted Rights Shares on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at the Record Date.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Record Date, or if they have registered addresses outside Singapore, must provide the Company’s share registrar (the “**Share Registrar**”), Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower Singapore 048623 with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Record Date, in order to receive their provisional allotments of Rights Shares entitlements.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on

the Record Date by the Share Registrar, will be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

9.3 Entitled Shareholders and Participation in the Rights cum Warrants Issue

Entitled Shareholders will be entitled to participate in the Proposed Rights cum Warrants Issue and to receive the Offer Information Statement together with the application form for Rights Shares and Excess Rights Shares ("**ARE**") or provisional allotment letter ("**PAL**"), as the case may be, and its accompanying documents at their respective registered addresses in Singapore.

Entitled Scripholders who do not receive the Offer Information statement and the PALs may obtain them from the Share Registrar during the period up to the time and date to be determined by the Directors, being the last time and date for acceptance and/or excess application and payment for, the renunciation of (as may be applicable), the Rights Shares under the Proposed Rights cum Warrants Issue through CDP or the Share Registrar (as may be applicable); or the last time and date to be determined by the Directors for acceptance and/or excess application and payment for the Rights Shares under the Proposed Rights cum Warrants Issue through an electronic application (as may be applicable) ("**Closing Date**").

Entitled Depositors who do not receive the Offer Information Statement and the AREs may obtain them from CDP during the period up to the Closing Date.

9.4 Excess Rights Shares

Provisional allotments of Rights Shares which are not taken up or allotted for any reason by Entitled Shareholders ("**Excess Rights Shares**"), will be aggregated as the Excess Rights Shares to satisfy applications for such Excess Rights Shares or otherwise dealt with in such manner as the directors may, in their absolute discretion, deem fit. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots.

Directors and substantial shareholders of the Company ("**Substantial Shareholders**") who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Proposed Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

Save as disclosed in this announcement, the Company will not make any allotment and issue of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

9.5 Provisional Allotments and Excess Applications

Entitled Shareholders will be provisionally allotted the Rights Shares under the Proposed Rights cum Warrants Issue on the basis of their shareholdings as at the Record Date. They are at liberty to accept, decline, renounce or in the case of Entitled Depositors only, trade on Catalist (during the provisional allotment trading period as prescribed by the SGX-ST) their provisional allotments of Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights cum Warrants Issue. Entitled Depositors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares may only do so through CDP or by way of an electronic application (as may be applicable).

Fractional entitlements to the Rights Shares will be disregarded in arriving at Shareholders' entitlements and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications (if any) or disposed of or otherwise dealt with in such manner as the directors may, in their absolute discretion, deem fit in the interests of the Company.

9.6 Dealings/Transactions for Provisional Allotments

All dealings in and transactions of the provisional allotments of the Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs if any to be issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on Catalist.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update its records or to effect any change in address must reach CDP at least three (3) market days before the Record Date. Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses in the Register of Members.

Entitled Scripholders (where applicable) are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP before the Record Date so that their Securities Accounts may be credited by CDP with their Shares and their provisional allotments of Rights Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with the Rights Shares on the 12th market day or such number of market days as may be required and determined by CDP, from the date of lodgement of the share certificates with CDP or such later date as CDP may determine.

Full details of the Rights cum Warrants Issue, including an indicative timetable of key events will be set out in the Offer Information Statement to be despatched to the Entitled Shareholders in due course.

9.7 CPF Investment Scheme

Shareholders who have previously purchased their Shares using their Central Provident Fund (“**CPF**”) account savings (“**CPF Funds**”) may use the same for the payment of the Issue Price to accept their provisional allotments of Rights Shares and (if applicable) to apply for Excess Rights Shares, subject to the applicability of CPF rules and regulations. Such Shareholders who wish to accept their provisional allotments of Rights Shares will need to instruct their respective approved banks where they hold their CPF investment accounts, to accept their provisional allotment of Rights Shares and (if applicable) apply for the Excess Rights Shares on their behalf in accordance with the terms and conditions in the Offer Information Statement.

CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

9.8 Foreign Shareholders

The Offer Information Statement and its accompanying documents relating to the Proposed Rights cum Warrants Issue will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders whose registered addresses with the Company and the CDP are outside Singapore, as at the Record Date, and who have not, by 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Record Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”) and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Proposed Rights cum Warrants Issue. No provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance of the provisional allotments of Rights Shares or application for Excess Rights Shares by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents relating to the Proposed Rights cum Warrants Issue will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited by CDP to their Securities Accounts should make the necessary arrangements with their depository agents or stockbrokers in Singapore.

The Company reserves the right to reject any acceptances of the provisional allotments of the Rights Shares and/or applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction. The Company further reserves the right to treat as invalid any ARE, application form for Rights Shares (“**ARS**”) or PAL where applicable which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore or (c) purports to exclude any deemed representation or warranty.

Foreign Shareholders who wish to be eligible to participate in the Proposed Rights cum Warrants Issue may provide a Singapore address by notifying in writing, as the case may be, (i) CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, or (ii) the Share Registrar, Boardroom corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower Singapore 048623, not later than three (3) market days before the Record Date.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Record Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained for the sole benefit of the Company or dealt with as the directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the manager (where applicable), the Share Registrar, the board of the Central Provident Fund established under the Central Provident Fund Act (Cap. 36) as amended or modified from time (the “**CPF Board**”) or CDP or their respective officers in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the manager (where applicable), the Share Registrar, the CPF Board or the CDP or their respective officers in respect of such sales or proceeds thereof, of such provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or otherwise dealt with in such manner as the directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the manager (where applicable), the Share Registrar, the CPF Board or CDP or their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in those territories.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation (where applicable) and/or sale of the provisional allotments of Rights Shares and for application of Excess Rights Shares pursuant to the Proposed Rights cum Warrants Issue will be set out in the Offer Information Statement and its accompanying documents to be despatched by the Company to Entitled Shareholders in due course.

9.9 Trading of Odd Lots arising from the Rights cum Warrants Issue

For the purposes of trading on Catalist, each board lot of Shares will comprise 100 Shares. Following the Rights cum Warrants Issue, Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots on Catalist are able to trade odd lots of Shares in board lots of one (1) Share on the SGX-ST's unit share market. The unit share market is a ready market for trading of odd lots with a minimum size of one (1) Share. Shareholders should note that the market for trading of such odd lots of Shares may be illiquid. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's unit share market.

10. Directors' Opinion

For the purposes of Rule 814(1)(f) of the Catalist Rules, as at the date of this announcement and barring unforeseen circumstances, the directors are of the opinion that:

- (a) after taking into consideration the present bank facilities and operating cash flows of the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the reasons for undertaking the Proposed Rights cum Warrants Issue are set out in **Paragraph 5** of this announcement;
- (b) after taking into consideration the present bank facilities and operating cash flows of the Group as well as the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements;
- (c) the Proposed Share Consolidation and the Proposed Rights cum Warrants Issue are in the interest of the Company having considered the rationale of the Proposed Share Consolidation and the Proposed Rights cum Warrants Issue set out in **Paragraph 2.3** and **Paragraph 5** respectively of this announcement;
- (d) having considered the factors taken into account in arriving at the discounts of the Issue Price and Warrant Exercise Price as set out in **Paragraph 3.3** of this announcement, the Issue Price and the Warrant Exercise Price at a discount is in the interest of the Company; and
- (e) the terms of the Proposed Share Consolidation and the Proposed Rights cum Warrants Issue does not contravene any laws and regulations governing the Company and the Constitution of the Company.

11. Circular to Shareholders and EGM

The Board will be convening an EGM to seek shareholders' approval for the Proposed Share Consolidation, Proposed Rights cum Warrants Issue and the Potential Transfer of Controlling Interests.

The circular containing further details of, *inter alia*, the Proposed Share Consolidation, Proposed Rights cum Warrants Issue and the Potential Transfer of Controlling Interests, together with the notice of the EGM in connection therewith, will be despatched to Shareholders in due course.

12. Adjustment to Warrants

The Company will make necessary adjustments to the outstanding warrants in accordance with their respective deed polls.

13. Interests of Directors and Substantial Shareholders

Save as disclosed in this announcement, none of the directors and controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Share Consolidation and the Proposed Rights cum Warrants Issue, other than through their shareholdings in the Company, if any.

14. 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 Proposed Share Consolidation and the Proposed Rights cum Warrants Issue, 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.

15. Cautionary Statement

Shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this announcement that the Proposed Share Consolidation and the Proposed Rights cum Warrants Issue 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.

16. Further Announcements

Further announcements will be made by the Company in relation to the Proposed Share Consolidation and the Proposed Rights cum Warrants Issue as and when appropriate.

By Order of the Board

Ntegrator International Ltd.

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

31 December 2021

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.

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