

CIRCULAR DATED 10 FEBRUARY 2022

This Circular is important and requires your immediate attention. Please read it carefully.

If you are in doubt about its contents or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional adviser immediately.

If you have sold or transferred all your ordinary shares in the share capital of Ntegrator International Ltd. (the “**Company**”), you should forward this Circular together with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or the transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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

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



Ntegrator International Ltd.

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

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO**

- (1) THE PROPOSED ACQUISITION OF 85% OF THE ISSUED SHARE CAPITAL OF GADMOBE GROUP**
- (2) THE PROPOSED ACQUISITION OF 55% OF THE ISSUED SHARE CAPITAL OF GOLDEN ULTRA LIMITED**
- (3) THE PROPOSED CHANGE OF NAME FROM “NTEGRATOR INTERNATIONAL LIMITED” TO “WATCHES.COM LIMITED”**

Independent Financial Adviser in relation to the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra



W Capital Markets Pte. Ltd.
(Incorporated in the Republic of Singapore)
(Company Registration Number 201813207E)

Important Dates and Times:

- Last date and time for lodgement of Proxy Form : 1 March 2022 at 12.00 p.m. (Singapore Time)
- Date and time of Extraordinary General Meeting : 4 March 2022 at 12.00 p.m. (Singapore Time)
- Place of Extraordinary General Meeting : By way of electronic means

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CORPORATE INFORMATION

Board of Directors	: Chay Yiowmin (Independent Non-Executive Chairman) Christian Kwok-Leun Yau Heilesen (Executive Director) Han Meng Siew (Executive Director) Leung Kwok Kuen Jacob (Independent Non-Executive Director) Leung Yu Tung Stanley (Independent Non-Executive Director) Zhou Jia Lin (Independent Non-Executive Director) Tao Yeoh Chi (Independent Non-Executive Director)
Company Secretary	: Tan Wei Jie, Joel Shu Shin Yee
Registered Office	: 4 Leng Kee Road #06-04 SIS Building Singapore 159088
Share Registrar and Share Transfer Office	: KCK Corpserve Pte. Ltd. 24 Raffles Place #07-07 Clifford Centre Singapore 048621
Sponsor	: PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Income at Raffles Singapore 049318
Auditors	: Moore Stephens LLP 10 Anson Road #29-15 International Plaza Singapore 079903
Legal Adviser to the Company on Singapore Law for:	: Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
(a) The Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group	
(b) The Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	
(c) The Proposed Change of Name of the Company	

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context requires otherwise or unless otherwise stated:

- “2021 Placement Exercise” : The:
- (a) allotment and issuance of an aggregate of 102,050,000 new Shares in the Company to Ms Zheng Ze Li at a price of S\$0.0082 per Share;
 - (b) issuance of 102,050,000 2021 Warrants to Ms Zheng Ze Li, each 2021 Warrant granting the holder thereof the right to subscribe for one new Share in the Company at an exercise price of S\$0.0082 for each 2021 Warrant;
 - (c) allotment and issuance of an aggregate of 70,350,000 new Shares in the Company to Industrial Electronics Pte Ltd at a price of S\$0.0082 per Share; and
 - (d) issuance of 70,350,000 2021 Warrant to Industrial Electronics Pte Ltd, each 2021 Warrant granting the holder thereof the right to subscribe for one new Share in the Company at an exercise price of S\$0.0082 for each 2021 Warrant
- “2021 Warrants” : The 172,400,000 free warrants issued by the Company on 29 November 2021 pursuant to the 2021 Placement Exercise, each 2021 Warrant carrying the right to subscribe for one new Share in the Company at an exercise price of S\$0.0082
- “associate” : (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee” : The audit committee of the Company comprising Mr Chay Yiowmin (Chairman), Mr Leung Yu Tung Stanley, Mr Leung Kwok Kuen Jacob and Ms Zhou Jia Lin
- “Board” : The board of directors of the Company as at the date of this Circular or from time to time, as the case may be
- “Catalist Rules” : The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, supplemented or modified from time to time
- “Catalist” : The sponsor-supervised listing platform of the SGX-ST

DEFINITIONS

“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 10 February 2022 in relation to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group, the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and the Proposed Change of Name of the Company
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended, supplemented or modified from time to time
“Company”	:	Ntegrator International Ltd.
“Constitution”	:	The constitution of the Company, as may be amended, supplemented or modified from time to time
“controlling shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
“Director”	:	A director of the Company as at the date of this Circular or from time to time, as the case may be
“E-Commerce Business”	:	The business of developing, operating and licensing e-commerce business, including but not limited to, internet advertisement, payment systems and social media marketing, online e-commerce, applications and website development
“EGM”	:	The extraordinary general meeting of the Company to be convened and held, notice of which is set out on page N-1 of this Circular
“EPS”	:	Earnings per Share
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Gadmobee Group Consideration”	:	Consideration of S\$15.2 million which shall be paid to the Gadmobee Group Vendor: (a) by way of Gadmobee Group Promissory Notes which shall bear interest at a rate of 8% per annum; or (b) such other payment methods as the Company and the Gadmobee Group Vendor may agree in writing. Further details on the Gadmobee Group Consideration are set out in Section 2.5 of this Circular
“Gadmobee Group Companies”	:	Gadmobee Group Target, Sasha Lab Limited, Gadmobee Interactive Limited, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), COD Centre Pte. Ltd. and Bass of Hala OÜ
“Gadmobee Group Independent Valuer”	:	CHFT Advisory and Appraisal Ltd.

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“Gadmobe Group Promissory Notes”	:	The promissory notes to be issued as payment of the Gadmobe Group Consideration in relation to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group
“Gadmobe Group Sale Shares”	:	The 85 shares in the Gadmobe Group Target, representing 85% of the issued share capital of the Gadmobe Group Target, to be acquired by the Company pursuant to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group
“Gadmobe Group SPA”	:	The share purchase agreement dated 11 October 2021 entered into between the Company and the Gadmobe Group Vendor in relation to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group
“Gadmobe Group Target”	:	New Genesis Developments Limited
“Gadmobe Group Valuation Report”	:	The valuation report issued by the Gadmobe Group Independent Valuer on 9 August 2021 in relation to the independent valuation of the 100% equity interest of the Gadmobe Group Target as set out in Appendix A to this Circular
“Gadmobe Group Vendor”	:	Mr Tam Ki Ying
“Group”	:	The Company and its subsidiaries collectively
“Golden Ultra Consideration”	:	Consideration of HK\$82.5 million (equivalent to approximately S\$14.4 million) which shall be paid to the Golden Ultra Vendor: (a) by way of Golden Ultra Promissory Note which shall bear interest at a rate of 8% per annum; or (b) such other payment method as the Company and the Golden Ultra Vendor may agree in writing. Further details on the Golden Ultra Consideration are set out in Section 3.4 of this Circular
“Golden Ultra Independent Valuer”	:	FT Consulting Limited
“Golden Ultra Promissory Notes”	:	The promissory notes to be issued by the Company as payment of the Golden Ultra Consideration in relation to the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra
“Golden Ultra Sale Shares”	:	The 550 shares in Golden Ultra, representing 55% of the issued share capital of Golden Ultra, to be acquired by the Company pursuant to the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra
“Golden Ultra SPA”	:	The share purchase agreement dated 12 October 2021 entered into between the Company and the Golden Ultra Vendor in relation to the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra
“Golden Ultra”	:	Golden Ultra Limited
“Golden Ultra Valuation Report”	:	The valuation report issued by the Golden Ultra Independent Valuer on 11 October 2021 in relation to the independent valuation

DEFINITIONS

	of the 100% equity interest of the CKLY Trading Limited as set out in Appendix B to this Circular
“Golden Ultra Vendor”	: Mr Christian Kwok-Leun Yau Heilesen
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong
“IFA”	: W Capital Markets Pte. Ltd., the independent financial adviser, appointed by the Company to opine on whether the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is on normal commercial terms and whether the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is prejudicial to the interests of the Company and its minority Shareholders
“IFA Letter”	: The letter dated 10 February 2022 issued by the IFA containing the opinion of the IFA on whether the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is on normal commercial terms and whether the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is prejudicial to the interests of the Company and its minority Shareholders as set out in Appendix C to this Circular
“Incredible”	: Incredible Holdings Ltd.
“Latest Practicable Date”	: 8 February 2022, being the latest practicable date prior to the issue of this Circular
“LPS”	: Loss per Share
“New Watch Business”	: The business of designing, manufacturing, marketing, distributing, trading and selling of watches and watch accessories through the Group’s own and third party internet websites, applications, retail stores and online platforms
“Notice of EGM”	: The notice of EGM which is set out on page N-1 of this Circular
“NTA”	: Net tangible assets
“Ordinary Resolutions”	: The ordinary resolutions as set out in the Notice of EGM
“Proposed Acquisition of 85% of the Issued Share Capital of Gadmobе Group”	: The proposed acquisition of 85 shares in the Gadmobе Group Target, representing 85% of the issued share capital of the Gadmobе Group Target, through Cyber Sail Global Limited. Further details on the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobе Group are set out in Section 2 of this Circular.
“Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra”	: The proposed acquisition of 550 shares in Golden Ultra, representing 55% of the issued share capital of Golden Ultra. Further details on the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra are set out in Section 3 of this Circular.
“Proposed Change of Name of the Company”	: The proposed change of name from “Ntegrator International Ltd.” to “Watches.com Limited”.

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	Further details on the Proposed Change of Name of the Company are set out in Section 5 of this Circular.
“Proxy Form”	: The proxy form in respect of the EGM which is attached to this Circular
“S\$” and “Singapore cents”	: Singapore dollars and cents respectively, the lawful currency of Singapore
“Securities Accounts”	: The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA”	: The Securities and Futures Act, Chapter 289 of Singapore, as may be amended, supplemented or modified from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: The registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“Shares”	: Ordinary shares in the capital of the Company
“Special Resolution”	: The special resolution as set out in the Notice of EGM
“Sponsor”	: PrimePartners Corporate Finance Pte. Ltd.
“Substantial Shareholder”	: A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“%”	: Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “associated company” and “subsidiary” shall have the same meanings ascribed to them in the Catalist Rules and the Companies Act, as the case may be.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless the context requires otherwise.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to “persons” shall, where applicable, include corporations.

Any reference to a time of day or date in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

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Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS



NTEGRATOR International Ltd.

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

Board of Directors:

Chay Yiowmin	(Independent Non-Executive Chairman)
Christian Kwok-Leun	(Executive Director)
Yau Heilesen	
Han Meng Siew	(Executive Director)
Leung Kwok Kuen	Independent Non-Executive Director)
Jacob	
Leung Yu Tung	(Independent Non-Executive Director)
Stanley	
Zhou Jia Lin	(Independent Non-Executive Director)
Tao Yeoh Chi	(Independent Non-Executive Director)

Registered Office:

4 Leng Kee Road
#06-04 SIS Building
Singapore 159088

10 February 2022

To: The Shareholders of NTEGRATOR International Ltd.

Dear Sir/Madam,

- (1) **THE PROPOSED ACQUISITION OF 85% OF THE ISSUED SHARE CAPITAL OF GADMOBE GROUP**
- (2) **THE PROPOSED ACQUISITION OF 55% OF THE ISSUED SHARE CAPITAL OF GOLDEN ULTRA**
- (3) **THE PROPOSED CHANGE OF NAME FROM “NTEGRATOR INTERNATIONAL LTD.” TO “WATCHES.COM LIMITED”**

1. INTRODUCTION

1.1 Extraordinary General Meeting

1.1.1 The Board is convening an extraordinary general meeting (“**EGM**”) to seek Shareholders’ approval for

- (a) the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group;
- (b) the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra; and
- (c) the Proposed Change of Name of the Company.

1.1.2 The Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is an “interested person transaction” under Chapter 9 of the Catalyst Rules which has a value of more than 5% of the Group’s latest NTA. Accordingly, the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is conditional upon approval by Shareholders at the EGM. Further

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details on the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra as an “interested person transaction” under Chapter 9 of the Catalist Rules are set out in **Section 3.8** of this Circular.

- 1.1.3 Based on the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules, the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra are each classified as a “major transaction” under Chapter 10 of the Catalist Rules. Accordingly, the completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra are conditional upon approval by Shareholders at the EGM. Further details on the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules relating to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra are set out in **Section 2.10** and **Section 3.9** of this Circular respectively.
- 1.1.4 The Company is of the view that entering into the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra at the same time would enable cost savings and logistic ease in preparing the circular to shareholders and convening an EGM to seek shareholders’ approval for the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra.
- 1.1.5 The Board’s plans for the Group are set out as below:
- (a) the Board has sought Shareholders’ approval for a business diversification into the E-Commerce Business and the New Watch Business at an extraordinary general meeting held on 15 December 2021;
 - (b) the Board is constantly looking for corporate development opportunities to diversify the Group’s revenues, enter new areas of growth, monetise, grow and develop its assets and balance sheet, so as to enable the Company to become profitable.

1.2 Circular

- 1.2.1 The purpose of this Circular is to provide Shareholders with relevant information relating to, and to seek Shareholders’ approval for, the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group, the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and the Proposed Change of Name of the Company. Shareholders’ approval will be sought at the EGM to be convened and held, notice of which is set out on page N-1 of this Circular.

2. THE PROPOSED ACQUISITION OF 85% OF THE ISSUED SHARE CAPITAL OF GADMOBEE GROUP

2.1 Introduction

- 2.1.1 On 12 October 2021, the Company announced that the Company has entered into a share purchase agreement (the “**Gadmobee Group SPA**”) with Mr Tam Ki Ying (the “**Gadmobee Group Vendor**”) in relation to, *inter alia*, the acquisition of 85 shares (the “**Gadmobee Group Sale Shares**”) in the Gadmobee Group Target, representing 85% of issued share capital of the Gadmobee Group Target, through Cyber Sail Global Limited, a direct wholly-owned subsidiary of the Company incorporated in the British Virgin Islands on 30 September 2021 (the “**Gadmobee Group Announcement**”).
- 2.1.2 Upon the completion of the Proposed Acquisition of 85% of the issued share capital of Gadmobee Group, the Company will hold 85 shares in the Target, representing 85% of the issued share capital of

LETTER TO SHAREHOLDERS

the Gadmobee Group Target, through Cyber Sail Global Limited, and the Gadmobee Group Vendor will hold the remaining 15 shares in the Gadmobee Group Target, representing 15% of the issued share capital of the Gadmobee Group Target.

- 2.1.3 The Gadmobee Group Vendor, Mr Tam Ki Ying, is an independent third party and is not related to any of the directors or Substantial Shareholders of the Company. As part of the Group's efforts to source for new businesses to acquire to provide new revenue streams in the event that any of the Group's existing businesses are impacted by COVID-19 or otherwise as part of the Group's corporate strategy to have diversified returns and the potential for long-term growth, the Group learned of Mr Tam Ki Ying through an online advertisement on the internet. Mr Tam Ki Ying has more than 15 years of experience in internet payment systems, e-commerce, digital content and advertising.

2.2 Restructuring Exercise

- 2.2.1 The corporate structure of the Gadmobee Group Target as at the date of the Gadmobee Group Announcement is set out in **Appendix E** to this Circular and the corporate structure of the Gadmobee Group Target after completion of the Restructuring Exercise (as defined below) is set out in **Appendix F** of this Circular.

- 2.2.2 In connection with the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group, the Gadmobee Group Vendor has undertaken a restructuring exercise (the "**Restructuring Exercise**") where:

- (a) The Gadmobee Group Vendor has on 8 November 2021 incorporated New Genesis Developments Limited, a private limited company in the British Virgin Islands with an issued share capital of US\$100 comprising 100 shares (the "**Gadmobee Group Target**"). The Gadmobee Group Vendor holds 100 shares in the Gadmobee Group Target, representing 100% of the issued share capital of the Gadmobee Group Target.
- (b) The Gadmobee Group Vendor will transfer 10,000 shares in Sasha Lab Limited, representing 100% of the issued share capital of Sasha Lab Limited, to the Gadmobee Group Target.
- (c) The Gadmobee Group Vendor will transfer of 10,000 shares in Gadmobee Interactive Limited, representing 100% of the issued share capital of Gadmobee Interactive Limited, from Pharos Holdings Group Limited to the Gadmobee Group Target.
- (d) The Gadmobee Group Vendor has transferred of 1,000 shares in COD Centre Pte. Ltd., representing 100% of the issued share capital of COD Centre Pte. Ltd., from Pharos Holdings Group Limited to the Gadmobee Group Target.
- (e) The Gadmobee Group Vendor has transferred one share in Bass of Hala OÜ, representing 100% of the issued share capital of Bass of Hala OÜ, to Sasha Lab Limited.

Pursuant to the Gadmobee Group SPA and the Gadmobee Group Announcement, the Gadmobee Group Vendor was to effect the transfer of one share in Bass of Hala OÜ, representing 100% of the issued share capital of Bass of Hala OÜ, to the Gadmobee Group Target. The Company has been informed by its consultant in Estonia that due to certain regulations in Estonia, the Gadmobee Group Vendor would not be able to transfer one share in Bass of Hala OÜ to the Gadmobee Group Target. In view of the above, it was agreed between the Company and the Gadmobee Group Vendor that the Gadmobee Group Vendor will transfer one share in Bass of Hala OÜ to Sasha Lab Limited instead.

Shareholders should note that the ultimate ownership of the Gadmobee Group does not change regardless whether the one share in Bass of Hala OÜ is held by the Gadmobee Group Target or

LETTER TO SHAREHOLDERS

Sasha Lab Limited. Accordingly, there is no implication to the corporate structure and the amendment to the Gadmobee Group SPA is unlikely to be material in nature.

2.2.3 The rationale for the Restructuring Exercise is to streamline the financial reporting in the organisation moving forward.

2.2.4 The Gadmobee Group Target, Sasha Lab Limited, Gadmobee Interactive Limited, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), COD Centre Pte. Ltd. and Bass of Hala OÜ shall hereinafter collectively be referred to as “**Gadmobee Group**” and each a “**Gadmobee Group Company**”.

2.3 Information on Gadmobee Group

2.3.1 Corporate Information

Sasha Lab Limited, Gadmobee Interactive Limited, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), COD Centre Pte. Ltd. and Bass of Hala OÜ are principally in the business of providing information technology services and digital advertising, and e-commerce operations. COD Centre Pte. Ltd. is principally in the business of providing value-added logistic services and developing e-commerce applications.

(a) *Sasha Lab Limited*

Sasha Lab Limited is a private limited company incorporated in Hong Kong on 8 October 2015 and has an issued share capital of HK\$10,000 comprising 10,000 shares as at the Latest Practicable Date.

Sasha Lab Limited provides digital content development, digital payment solutions and mobile application development. Sasha Lab Limited operates across 90 digital payment gateways and reaches up to 190 markets worldwide.

(b) *Gadmobee Interactive Limited*

Gadmobee Interactive Limited is a private limited company incorporated in Hong Kong on 17 October 2012 and has an issued share capital of HK\$10,000 comprising 10,000 shares as at the Latest Practicable Date. Gadmobee Interactive Limited has a wholly owned subsidiary, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), which is a private limited company incorporated in People's Republic of China on 23 September 2015 and which has an issued share capital of RMB100,000 comprising 100,000 shares as at the Latest Practicable Date.

Gadmobee Interactive Limited leads a revolutionary wave of advertising with its data-driven technologies. Gadmobee Interactive Limited's partners are able to leverage on its robust and versatile solutions to maximise customer engagement and advertising revenue.

廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd) is principally in the business of providing research and development for all of Gadmobee Group's projects in the areas of digital advertising exchanges, online payment solutions, mobile content management systems (“**CMS**”), e-commerce enterprise resource planning (“**ERP**”) systems and many others. 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd) has access to a large pool of cost-efficient personnel with advanced computing skills and e-commerce experience.

(c) *COD Centre Pte. Ltd.*

LETTER TO SHAREHOLDERS

COD Centre Pte. Ltd. is a private limited company incorporated in Singapore on 4 December 2019 and has an issued share capital of S\$1,000 comprising 1,000 shares at the Latest Practicable Date.

COD Centre Pte. Ltd. is an e-commerce company based in Singapore that utilises its turnkey platform to provide fulfilment solutions to merchants in Southeast Asia and worldwide. COD Centre Pte. Ltd. uses big data technologies to optimise merchants' e-commerce businesses thus allowing merchants to reduce delivery costs within minimal downtime.

(d) *Bass of Hala OÜ*

Bass of Hala OÜ is a private limited company incorporated in Estonia on 26 December 2017 and has an issued share capital of €2,500 comprising one share as at the Latest Practicable Date.

Bass of Hala OÜ is a fast-growing digital content company based in Estonia which does digital content distribution in the European market. Bass of Hala OÜ has a high digital content library comprising mobile games, short videos, mobile applications and ebooks which are accessible cross-platform (phones, tablets and desktops) at any time and any place.

Each of the Gadmobе Group Companies has commenced operations with recurring revenue, sustaining profits and a regular customer base.

2.3.2 Diversification into the E-Commerce Business

As the Gadmobе Group is principally in the business of developing and providing information technology systems and internet services, the Company has sought Shareholders' approval at an extraordinary general meeting of the Company held on 15 December 2021 to diversify into the E-Commerce Business. The scope of the e-commerce business shall include developing, operating and licensing e-commerce business, including but not limited to, internet advertisement, payment systems, social media marketing including the selling of goods and services, online e-commerce, applications, website and/or mobile content development (the "**E-Commerce Business**").

2.3.3 Financial Information

Based on the pro forma combined financial statements of Gadmobе Group for the six months ended 30 June 2021:

- (a) the aggregate book value of the Gadmobе Group Sale Shares was approximately HK\$4.5 million (equivalent to approximately S\$0.8 million) as at 30 June 2021;
- (b) the aggregate NTA value represented by the Gadmobе Group Sale Shares was approximately HK\$4.5 million (equivalent to approximately S\$0.8 million) as at 30 June 2021; and
- (c) the aggregate net profits attributable to the Gadmobе Group Sale Shares was approximately HK\$1.9 million (equivalent to approximately S\$0.3 million) for the six months ended 30 June 2021.

The audited financial statements of the Gadmobе Group Companies for the financial year ended 2020 have been made available to the Company.

Based on the pro forma combined financial statements of Gadmobе Group for the six months ended 30 June 2021 and assuming that (a) the Gadmobе Group Vendor has repaid all loans

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as at 30 June 2021 made by the Gadmobile Group Companies to the Gadmobile Group Vendor, which in aggregate amounts to approximately HK\$10.6 million (equivalent to approximately S\$1.8 million) as at the date of the Gadmobile Group SPA; and (b) the Gadmobile Group Companies has declared dividends, which in aggregate amount to approximately HK\$9.3 million (equivalent to approximately S\$1.6 million), to the Gadmobile Group Vendor (details of the repayment of loans and dividends to be declared are set out in **Section 2.7.4** of this Circular):

- (a) the aggregate book value of the Gadmobile Group Sale Shares would be approximately negative HK\$4.0 million (equivalent to approximately negative S\$0.6 million) as at 30 June 2021;
- (b) the aggregate NTA value represented by the Gadmobile Group Sale Shares would be approximately negative HK\$4.0 million (equivalent to approximately negative S\$0.6 million) as at 30 June 2021; and
- (c) the aggregate net profits attributable to the Gadmobile Group Sale Shares would be approximately HK\$1.9 million (equivalent to approximately S\$0.3 million) for the six months ended 30 June 2021.

2.3.4 Valuation

Pursuant to Rule 1014(5) of the Catalist Rules, the Company must appoint a competent and independent valuer to value the Gadmobile Group Sale Shares as one of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules relating for the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group exceeds 75%.

The Company had commissioned the CHFT Advisory and Appraisal Ltd. (“**Gadmobile Group Independent Valuer**”) to conduct an independent valuation on the market value of the 100% equity interest of Sasha Lab Limited, Gadmobile Interactive Limited, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), COD Centre Pte. Ltd. and Bass of Hala OÜ. The Gadmobile Group Independent Valuer a licensed firm under the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Surveyors, provides solutions in real estate consultancy, business and market research consultancy, property and business valuation and environmental, social and governance / sustainability advisory services.

Please see the list of business valuations conducted by the Gadmobile Group Independent Valuer:

- (a) Valuation of 100% equity interest of 浙江新雲聯 數字科技有限公司 in June 2020;
- (b) Valuation of 100% equity interest of CBG Fintech Holdings Limited in August 2020;
- (c) Valuation of 100% equity interest of Ordos Blockchain Cloud Computing Technology Co., Ltd in August 2020; and
- (d) Valuation of 80% equity interest of Cedar Technology Group Co., Ltd in June 2021.

According to the valuation report dated 9 August 2021 issued by the Gadmobile Group Independent Valuer (the “**Gadmobile Group Valuation Report**”), the estimated fair market value of the 100% equity interest of Gadmobile Group, as at 30 June 2021, was HK\$80,750,000 (equivalent to approximately S\$14.1 million).

The Gadmobile Group Independent Valuer valued the 100% equity interest of Gadmobile Group using the income approach and the discounted cash-flow method. The valuation was prepared in line with the Professional Standards published by the Royal Institute of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council. For avoidance of doubt, the valuation did not include the repayment of the dividends

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and loans due from the Gadmobee Group Companies to the Gadmobee Group Vendor to be made.

The key valuation assumptions adopted in the valuation are as follows:

- (a) during the projection period, the revenue is expected to increase from HKD 12.0 million in FY2022 to HKD 19.9 million in FY2025, representing a compound annual growth rate (“**CAGR**”) of 18.1% per annum. Based on the financial records of the Gadmobee Group, the historical revenue from FY2017 to FY2020 amounted from HKD 12.9 million to HKD 21.3 million, with an average of HKD 18.0 million per annum and an average of 19.26% per annum;
- (b) the gross margin is expected to remain stable at 59.8% from FY2022 to FY2025. Such gross margin is consistent with the margin recorded in FY2021, and as the Gadmobee Group would focus on existing business, the gross margin is not expected to change significantly in the projection period;
- (c) the selling, general and administrative (“**SG&A**”) expenses is expected to increase from HKD 4.1 million in FY2022 to HKD 4.5 million in FY2025, representing a CAGR of 3% per annum. As the Gadmobee Group focuses on online services, the SG&A is relatively stable comparing to the growth of revenue and cost of sales;
- (d) the forecast period is from 1 April 2021 to 31 March 2025. Subsequently, the valuer has further constructed the financial forecast into the end of FY2031 (i.e., 31 March 2031), before entering the perpetual growth period beginning in FY2031. The Gadmobee Group is expected to stabilize its business scale in 10 years, and starting from FY2032 the management will maintain the business scale and the business growth will be relatively stable in long term;
- (e) during FY2026 to FY2031, the Gadmobee Group is projected to enter a transition stage where the growth gradually decreases to converge with the perpetual growth rate. In FY2026, the growth is expected to be 15%, from FY2027 to FY2029 the growth is expected to be 10% and from FY2030 to FY2031 the growth is expected to be 5%; and
- (f) the Gadmobee Group Independent Valuer adopted the weight average cost of capital (the “**WACC**”) as the benchmark discount rate of the Gadmobee Group. WACC comprises two components: cost of equity and cost of debt. Cost of equity was developed using Capital Asset Pricing Model (the “**CAPM**”). The CAPM states that an investor requires excess returns to compensate systematic risks and an efficient market provides no excess return for other risks. Cost of debt was developed with reference to the benchmark borrowing rate. The adopted WACC of 11.1% was used in the valuation report.

A copy of the Gadmobee Group Valuation Report is set out in **Appendix A** to this Circular. Shareholders are advised to refer to the full text of the Gadmobee Group Valuation Report for further details.

2.4 Rationale for the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group

2.4.1 The Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group is part of the Group’s corporate strategy with a view to have diversified returns and the potential for long-term growth. The Board believes that the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group will provide the Group with new revenue streams and improve its prospects, and in turn, enhance shareholder’s value. In particular, the Board believes that the E-Commerce Business (which the Gadmobee Group is operating in) will:

- (a) complement the Group’s existing businesses by (i) expanding the Group’s core businesses into new markets utilising the Gadmobee Group’s payment footprint; (ii)

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optimising the Group's core businesses utilising the Gadmoble Group's big data technologies; and (iii) expanding the Group's client portfolio leveraging on the Gadmoble Group's advertising and e-commerce channels; and

- (b) provide the Group with an additional revenue stream to offset the Group's operating expenses in the event that any of the Group's existing business are impacted by COVID-19 or otherwise.

2.4.2 In addition, the Group's existing businesses will complement the E-Commerce Business (which the Gadmoble Group is operating in) by (a) expanding the Gadmoble Group's services in Southeast Asia leveraging on the Group's presence; and (b) helping the Gadmoble Group secure research and development funding for its big data and machine learning technologies leveraging on the Group's reputation.

2.4.3 Completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmoble Group is expected to take place in February 2022.

2.4.4 For the aforementioned reasons, the Board is confident that the Proposed Acquisition of the Gadmoble Group will bring value to Shareholders and that the Proposed Acquisition of 85% of the Issued Share Capital of Gadmoble Group is in the best interests of the Company and its Shareholders.

2.5 Consideration

2.5.1 The aggregate maximum value to be paid by the Company in connection with the Proposed Acquisition of 85% of the Issued Share Capital of Gadmoble Group is approximately S\$17.9 million comprising the Gadmoble Group Consideration (as defined below) of S\$15.2 million and the maximum Gadmoble Group Earnout Incentive (as defined below) of HK\$15.4 million (equivalent to approximately S\$2.7 million) to be paid to the Gadmoble Group Vendor by way of the Gadmoble Group Promissory Notes (as defined below).

2.5.2 Gadmoble Group Consideration

The consideration for the Proposed Acquisition of 85% of the Issued Share Capital of Gadmoble Group is S\$15.2 million (the "**Gadmoble Group Consideration**"). The Gadmoble Group Consideration shall be paid to the Gadmoble Group Vendor:

- (a) by way of promissory notes which shall bear interest at a rate of 8% per annum (the "**Gadmoble Group Promissory Notes**") in which the Company promises to pay S\$15.2 million to the Gadmoble Group Vendor in accordance with the terms of the Gadmoble Group Promissory Notes; or
- (b) such other payment method as the Company and the Gadmoble Group Vendor may agree in writing.

The Gadmoble Group Consideration was arrived at arm's length and on a willing-buyer-willing-seller basis, after taking into account, *inter alia*, the following:

- (a) the market value of the 85% equity interest of Sasha Lab Limited, Gadmoble Interactive Limited, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), COD Centre Pte. Ltd., and Bass of Hala OÜ set out in the Gadmoble Group Valuation Report;
- (b) the aggregate net profits attributable to the Gadmoble Group Sale Shares set out in the pro forma combined financial statements of Gadmoble Group for the financial year ended 31 March 2021;
- (c) the agreement between the Company and the Gadmoble Group Vendor that (i) the Gadmoble Group Vendor shall repay all loans made by the Gadmoble Group

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Companies to the Gadmobee Group Vendor, which in aggregate amount to approximately HK\$10.6 million (equivalent to approximately S\$1.8 million) as at the date of the Gadmobee Group SPA, by 30 June 2022; and (ii) the Gadmobee Group Companies shall declare dividends, which in aggregate amount to approximately HK\$9.3 million (equivalent to approximately S\$1.6 million), to the Gadmobee Group Vendor by 30 June 2022.

- (d) the agreement that the accumulated losses from Sasha Lab Limited and GZLY amounting to approximately HK\$4.1 million is to be retained in the Gadmobee Group after the completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group; and.
- (e) prevailing economic conditions.

2.5.3 Gadmobee Group Earnout Incentive

In addition to the Gadmobee Group Consideration of S\$15.2 million, the Company shall pay the Gadmobee Group Vendor an earnout incentive (calculated based on the formulas below) (the “**Gadmobee Group Earnout Incentive**”) in two tranches. The first tranche of the Gadmobee Group Earnout Incentive shall be paid within seven (7) business days from the date the Company announces its unaudited consolidated financial statements of the Group for the six months ending 30 June 2022 via SGXNet. The second tranche of the Gadmobee Group Earnout Incentive shall be paid within seven (7) business days from the date the Company announces its audited consolidated financial statements of the Group for the financial year ending 31 December 2022 (“**FY2022**”). The maximum Gadmobee Group Earnout Incentive payable by the Company to the Gadmobee Group Vendor, shall be HK\$15.4 million (equivalent to approximately S\$2.7 million).

First Tranche of the Gadmobee Group Earnout Incentive = HY EBITDA × 8 × 85%

Where “**HY EBITDA**” means earnings before interest, taxes, depreciation and amortisation based on the unaudited consolidated financial statements of the Gadmobee Group for the six months ending 30 June 2022.

Second Tranche of the Gadmobee Group Earnout Incentive
= (FY EBITDA × 8 × 85%)
– First Tranche of the Gadmobee Group Earnout Incentive

Where “**FY EBITDA**” means earnings before interest, taxes, depreciation and amortisation based on the audited consolidated financial statements of the Gadmobee Group for the financial year ending 31 December 2022.

The first and second tranches of the Gadmobee Group Earnout Incentive shall be paid to the Gadmobee Group Vendor:

- (a) by way of Gadmobee Group Promissory Notes which shall bear interest at a rate of 8% per annum in which the Company promises to pay the relevant sums under the Gadmobee Group Earnout Incentive to the Gadmobee Group Vendor in accordance with the terms of the Gadmobee Group Promissory Notes; or
- (b) such other payment method as the Company and the Gadmobee Group Vendor may agree in writing.

In the event that the second tranche of the Gadmobee Group Earnout Incentive (calculated based on the formula above) is negative and the negative figure (insofar as the absolute value is concerned) is:

- (a) equal or more than the first tranche of the Gadmobee Group Earnout Incentive, the Gadmobee Group Vendor shall surrender the Gadmobee Group Certificate (as defined

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below) representing all Gadmobee Group Promissory Notes issued by the Company in respect of the first tranche of the Gadmobee Group Earnout Incentive within seven (7) business days from the date the Company announces its audited consolidated financial statements of the Group for FY2022 and such Gadmobee Group Promissory Notes shall be cancelled and cease to be valid for any purpose without cost or penalty to the Company. If any Gadmobee Group Promissory Notes issued by the Company in respect of the first tranche of the Gadmobee Group Earnout Incentive is redeemed by the Company prior to such date, the Gadmobee Group Vendor shall repay a sum equivalent to the sum paid by the Company in respect of that redemption within seven (7) business days from the date the Company announces its audited consolidated financial statements of the Group for the financial year ending 31 December 2022; and

- (b) less than the first tranche of the Gadmobee Group Earnout Incentive, the Gadmobee Group Vendor shall surrender the Gadmobee Group Certificate representing Gadmobee Group Promissory Notes issued by the Company in respect of the first tranche of the Gadmobee Group Earnout Incentive with an aggregate principal value equivalent to the negative figure (insofar as the absolute value is concerned) within seven (7) business days from the date the Company announces its audited consolidated financial statements of the Group for the financial year ending 31 December 2022 and such Gadmobee Group Promissory Notes shall be cancelled and cease to be valid for any purpose without cost or penalty to the Company. If the aggregate principal value of the outstanding Gadmobee Group Promissory Notes issued by the Company in respect of the first tranche of the Gadmobee Group Earnout Incentive is less than the negative figure (insofar as the absolute value is concerned), the Gadmobee Group Vendor shall repay a sum in cash equivalent to the difference between the aggregate principal value of the outstanding Gadmobee Group Promissory Notes issued by the Company in respect of the first tranche of the Gadmobee Group Earnout Incentive and the negative figure (insofar as the absolute value is concerned) within seven (7) business days from the date the Company announces its audited consolidated financial statements of the Group for the financial year ending 31 December 2022.

The maximum Gadmobee Group Earnout Incentive was arrived at arm's length and on a willing-buyer-willing-seller basis after taking into account, *inter alia*, the following:

- (a) the Gadmobee Group comprise fast-growing companies with knowledgeable and experienced personnel in the digital advertising and content management industry; and
- (b) the potential revenue that may be generated by the Gadmobee Group.

2.5.4 Rationale for Premium over the Valuation

The Gadmobee Group Independent Valuer was commissioned to conduct an independent valuation on market value of the 100% equity interest of Gadmobee Group. The market value of the 100% equity interest of Gadmobee Group indicated in the Gadmobee Group Valuation Report does not take into account benefits to the Group arising from the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group. Other reasons for the premium over the valuation include but is not limited to the following:

- (a) The Group may leverage on Gadmobee Group's proprietary systems to aid in the Group's daily operations and business intelligence as well as the Group's expansion into the E-Commerce Business.
- (b) Gadmobee Group has a team of 30 employees with years of experience in advertising, payment, logistics, sourcing and programming which are essential in a global E-Commerce Business.
- (c) Gadmobee Group has a large network of suppliers, customers, marketers, payment gateways and logistics networks, and long business relationships with such suppliers,

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customers, marketers, payment gateways and logistics networks.

- (d) Gadmobile Group may leverage on the Group's financial resources and capabilities to rapidly expand its E-Commerce Business globally, including an expansion of its setup as well as an expansion of its existing e-commerce website and fashion brand.
- (e) The Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group makes sense economically – there are time and cost savings for the Group to acquire Gadmobile Group which has a profitable track record and use its financial resources and capabilities to rapidly expand Gadmobile Group's E-Commerce Business.
- (f) Building a fresh e-commerce business with no track record will take time and management resources from the Group, and there are significant costs and risks for the Group to build fresh E-Commerce Business itself. Furthermore, there is no certainty that the Group will be able to achieve a good or profitable outcome. The Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group will shortcut the road to profitability of the Group's E-Commerce Business while enabling the Group to leverage on Gadmobile Group's existing setup, human resources, skills and capabilities.
- (g) The Gadmobile Group Consideration shall be paid to the Gadmobile Group Vendor by way of Gadmobile Group Promissory Notes which shall bear interest at a rate of 8% per annum. Accordingly, the Gadmobile Group Consideration does not need to be satisfied immediately out of the Group's existing capital and cash resources and enables the Company to enter into the Gadmobile Group SPA without straining the cash-flow of the Group in the short term.
- (h) The Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group enables the Group to leverage on Gadmobile Group's existing China office and setup to enter the China market as well as the significant human resources which Gadmobile Group has in its China office to source for products for the Group's future ecommerce business which has time and cost efficiencies given the close proximity to major suppliers of such products.
- (i) Gadmobile Group may facilitate the rapid hiring for the Group's research and development as well as business development teams for the Group's existing and future businesses.
- (j) The Board is of the view that the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group will provide the Group with new revenue streams and improve its prospects, and is part of the Group's corporate strategy to have diversified returns and the potential for long-term growth.

2.6 Source of Funds

2.6.1 The Gadmobile Group Consideration of S\$15.2 million to be paid to the Gadmobile Group Vendor by way of the Gadmobile Group Promissory Notes when redeemed, the maximum Gadmobile Group Earnout Incentive of HK\$15.4 million (equivalent to approximately S\$2.7 million) to be paid to the Gadmobile Group Vendor by way of the Gadmobile Group Promissory Notes when redeemed, and the estimated costs and expenses to be incurred in connection with the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group of S\$50,000 shall be funded either through:

- (a) loans from controlling shareholders of the Company;
- (b) fund raising exercises such as an issue of additional equity securities by way of a rights issue, placement or otherwise as announced by the Company on 25 May 2021, 23 June 2021, 29 June 2021, 30 June 2021, 8 November 2021, 12 November 2021, 29 November 2021 and 31 December 2021; or

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(c) a combination of both.

2.6.2 The interest incurred from the issuance of Promissory Notes, at a rate of 8% per annum, payable annually in arrears, will be funded through the cash flows generated from the operations of the Group.

2.7 Principal Terms of the Gadmobee Group SPA

According to the Gadmobee Group SPA:

2.7.1 Conditions Precedent

The obligations of the Company and the Gadmobee Group Vendor (the "**Gadmobee Group Parties**") under the Gadmobee Group SPA are conditional upon, and completion shall not take place until, all the following conditions precedent have been fulfilled:

- (a) the Gadmobee Group Vendor having procured all necessary approvals from the board of directors and/or the shareholders of the Gadmobee Group Companies in connection with the Gadmobee Group SPA and the transactions contemplated therein, and such approvals not having been amended or revoked before the completion date;
- (b) the Company having obtained all necessary approvals from its board of directors and/or shareholders in connection with the Gadmobee Group SPA and the transactions contemplated therein, and such approvals not having been amended or revoked before the completion date;
- (c) the Company being reasonably satisfied with the results of the due diligence investigations (legal, financial, tax or otherwise) conducted on the Gadmobee Group;
- (d) the Gadmobee Group Vendor having procured the rectification by the Gadmobee Group Companies of all issues and/or irregularities uncovered during the due diligence investigations to the reasonable satisfaction of the Company;
- (e) the Gadmobee Group Vendor having procured the completion of the Restructuring Exercise;
- (f) the Gadmobee Group Vendor having procured the change in financial year end of the Gadmobee Group Companies to 31 December;
- (g) the Company having obtained approvals from its shareholders at an extraordinary general meeting to be convened in connection with the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group and the diversification of the existing businesses of the Group to include the proposed new E-Commerce Business;
- (h) the Company being reasonably satisfied that there has been no material adverse change, or events, acts or omissions likely to lead to a material adverse change, in the business, operations, assets, financial condition and/or prospects of the Gadmobee Group;
- (i) each of the representations, warranties and undertakings given by the Gadmobee Group Vendor remaining true and accurate in all material respects as at the completion date (by reference to the facts and circumstances then subsisting) with the same force and effect as if repeated on the completion date;
- (j) the Gadmobee Group Vendor obtaining all necessary consents, approvals and waivers in respect of any right of pre-emption or any other restriction conferred under the constitutions of the Gadmobee Group Companies or otherwise in relation to the sale and

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purchase of the Gadmobee Group Sale Shares to the Company and/or its nominees, and such consents, approvals and waivers not having been amended or revoked before the completion date; and

- (k) all necessary consents, approvals and waivers where required for the transactions contemplated under the Gadmobee Group SPA (including third party, governmental and regulatory consents, approvals and waivers) having been obtained by the Company and the Gadmobee Group Vendor, and such consents, approvals and waivers not having been amended or revoked before the completion date, and if any such consents, approvals or waivers are subject to conditions, such conditions being fulfilled on or before the completion date.

2.7.2 Gadmobee Group Long Stop Date

“Gadmobee Group Long Stop Date” means twelve (12) months from the date of the Gadmobee Group SPA, or such other later date as the Gadmobee Group Parties may agree in writing.

If any of the conditions precedent above is not fulfilled on or before 5.00 p.m. on the Gadmobee Group Long Stop Date and such non-fulfilment is not waived by the party who has the benefit of such condition precedent, the Gadmobee Group SPA shall lapse and no party shall have any claim against the other party under the Gadmobee Group SPA, save for any claim arising from antecedent breaches of the Gadmobee Group SPA.

2.7.3 Appointment of the Gadmobee Group Vendor as Director of the Company

The Company and the Gadmobee Group Vendor have agreed that upon and after completion of the sale and purchase of the Gadmobee Group Sale Shares, the Gadmobee Group Vendor shall be appointed as an executive director of the Company, subject to approvals from the nominating committee and the board of directors of the Company, the Sponsor and/or the SGX-ST (as the case may be), and the Company and the Gadmobee Group Vendor shall use all reasonable endeavours to take such action as may be reasonably required to give effect to such appointment.

2.7.4 Loans to be repaid by the Gadmobee Group Vendor and Dividends to be declared to the Gadmobee Group Vendor

The Company and the Gadmobee Group Vendor have agreed that:

- (a) The Gadmobee Group Vendor shall repay all loans made by the Gadmobee Group Companies to the Gadmobee Group Vendor, details of which are set out below, by 30 June 2022.
 - (i) An interest free loan of HK\$7.0 million extended by Gadmobee Interactive Limited to the Gadmobee Group Vendor for a period of five (5) years (the **“Gadmobee Interactive Loan”**). The outstanding sum under the Gadmobee Interactive Loan amounts to HK\$5.7 million (equivalent to approximately S\$1.0 million) as at the date of the Gadmobee Group SPA.
 - (ii) An interest free loan of HK\$5.3 million extended by Sasha Lab Limited to the Gadmobee Group Vendor for a period of five (5) years (the **“Sasha Lab Loan”**). The outstanding sum under the Sasha Lab Loan amounts to HK\$4.6 million (equivalent to approximately S\$0.8 million) as at the date of the Gadmobee Group SPA.
- (b) The Gadmobee Group Companies shall declare dividends, details of which are set out below, to the Gadmobee Group Vendor by 30 June 2022.

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- (i) A dividend of HK\$5,934,745 (equivalent to approximately S\$1.0 million) by Gadmob Interactive Limited to the Gadmob Group Vendor.
- (ii) A dividend of HK\$543,346 (equivalent to approximately S\$0.1 million) by COD Centre Pte. Ltd. to the Gadmob Group Vendor.
- (iii) A dividend of HK\$2,797,658 (equivalent to approximately S\$0.5 million) by Bass of Hala OÜ to the Gadmob Group Vendor.

For avoidance of doubt, the accumulated losses from Sasha Lab Limited and GZLY amounting to approximately HK\$4.1 million is retained in the Gadmob Group after the completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmob Group.

2.7.5 Indemnity

The Gadmob Group Vendor has agreed to indemnify, defend and hold harmless the Company (and its directors, officers, employees, agents, representatives, affiliates, successors and assigns) or at the Company's option, the Gadmob Group, from and against any and all losses, liabilities, fines, penalties, costs (including legal or arbitral costs, advisors', experts' and consultants' fees and costs of enforcement of any settlements, judgments or arbitral awards), charges, expenses, actions, proceedings, investigations, claims and demands which the Company or the Gadmob Group (as the case may be) may at any time and from time to time sustain, incur or suffer by reason of:

- (a) any non-compliance by the Gadmob Group with applicable laws and regulations; and
- (b) any breach by the Gadmob Group Vendor of its representations, warranties and undertakings contained in the Gadmob Group SPA.

2.7.6 Costs and Expenses

Each party shall bear and be responsible for its respective costs and expenses incurred in relation to the negotiation, preparation, finalisation, execution and performance of the Gadmob Group SPA and the transactions contemplated therein.

The Company shall bear the cost of all notarial fees and all registration, stamp and transfer taxes and duties or their equivalents in all jurisdictions where such fees, taxes and duties are payable as a result of the transactions contemplated by the Gadmob Group SPA. The Company shall be responsible for arranging the payment of all such fees, taxes and duties, including fulfilling any administrative or reporting obligation imposed by the jurisdiction in question in connection with the payment of such fees, taxes and duties.

2.7.7 Governing Law and Jurisdiction

The Gadmob Group SPA shall be governed by, and construed in accordance with, the laws of Singapore.

Any dispute arising out of or in connection with the Gadmob Group SPA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre ("**SIAC**") in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of arbitration shall be Singapore. The Tribunal shall consist of one arbitrator. The language of the arbitration shall be English. This clause is governed by the laws of Singapore.

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2.8 Disclosures by the Gadmobe Group Vendor

- 2.8.1 The Gadmobe Group Vendor has disclosed that the Gadmobe Group Companies have outstanding loans (which are not due to the Gadmobe Group Vendor) which will remain with the Gadmobe Group Companies after completion of the sale and purchase of the Gadmobe Group Sale Shares. The aggregate outstanding sum (principal plus interest) under these loans amounts to approximately HK\$15.8 million (equivalent to approximately S\$2.8 million) as at the date of the Gadmobe Group SPA.

2.9 Principal Terms of the Gadmobe Group Promissory Notes

According to the terms of the Gadmobe Group Promissory Notes:

2.9.1 Form, Denomination and Title

Each Gadmobe Group Promissory Note is issued in registered form, serially numbered and in the denomination of S\$1.00 each.

The Gadmobe Group Promissory Notes are represented by registered certificates (“**Gadmobe Group Certificates**”) and, save as provided, each Gadmobe Group Certificate shall represent the entire holding of Gadmobe Group Promissory Notes by the same holder.

“**Gadmobe Group Noteholder**” means the person in whose name a Gadmobe Group Promissory Note is registered in the register.

2.9.2 Transfer

One or more Gadmobe Group Promissory Notes may be transferred by giving the Company 14 business days’ notice in writing and the date falling on the 14th business day after the date of receipt of the transfer notice shall be the “**Gadmobe Group Elected Transfer Date**”. On the Gadmobe Group Elected Transfer Date, the Gadmobe Group Certificate representing such Gadmobe Group Promissory Notes to be surrendered shall be surrendered (at the registered office of the Company), together with the form of transfer endorsed on such Gadmobe Group Certificate, duly completed and executed. No transfer of title to any Gadmobe Group Promissory Note will be valid or effective unless and until entered on the register.

In the case of a transfer of part only of a holding of Gadmobe Group Promissory Notes represented by one Gadmobe Group Certificate, a new Gadmobe Group Certificate shall be issued to the transferee in respect of the part transferred and a further new Gadmobe Group Certificate in respect of the balance of the holding not transferred shall be issued to the transferor, provided that, in the case of a transfer of Gadmobe Group Promissory Notes to a person who is already a holder of Gadmobe Group Promissory Notes, a new Gadmobe Group Certificate representing the enlarged holding shall only be issued against the surrender of the Gadmobe Group Certificate representing the existing holding.

2.9.3 Restrictions on Transfer

No Gadmobe Group Promissory Note may be transferred by a Gadmobe Group Noteholder without the prior written consent of the Company (such consent not to be unreasonably withheld).

2.9.4 Status

The Gadmobe Group Promissory Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall at all times rank *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Company, save for such exceptions as may be provided by mandatory provisions under applicable laws and regulations.

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2.9.5 Interest

Each Gadmobe Group Promissory Note shall bear interest from the date on which it is issued at a rate of 8% per annum, payable annually in arrears.

The Board considered other financing options available in the market but none of the financing options considered were suitable for the Company as compared to the Gadmobe Group Promissory Notes, given the Company's relatively small market capitalisation of approximately S\$19.93 million as at 6 October 2021. The Company had requested for a trading halt on 7 October 2021 and accordingly, this was the last full market day on which trades were done preceding the date of the Gadmobe Group SPA.

2.9.6 Redemption

The Company may give a Gadmobe Group Noteholder 14 business days' notice in writing to redeem one or more Gadmobe Group Promissory Notes held by that Gadmobe Group Noteholder at 100% of their principal value without cost or penalty at any time after such Gadmobe Group Promissory Notes were issued, and the date falling on the 14th business day after the date of receipt of the redemption notice shall be the "**Gadmobe Group Elected Redemption Date**". On the Gadmobe Group Elected Redemption Date, the Gadmobe Group Certificate representing such Gadmobe Group Promissory Notes to be redeemed shall be surrendered (at the registered office of the Company).

In the case of a redemption of part only of a holding of Gadmobe Group Promissory Notes represented by one Gadmobe Group Certificate, a new Gadmobe Group Certificate in respect of the balance of the holding not redeemed shall be issued to the Noteholder.

All interest accrued on the Gadmobe Group Promissory Notes shall be paid on the Gadmobe Group Elected Redemption Date.

For the avoidance of doubt, the Gadmobe Group Promissory Notes are not redeemable at the option of the Gadmobe Group Noteholders.

As such, the redemption of the Gadmobe Group Promissory Notes, which is unsecured and unsubordinated, is at the discretion of the Company which allows the Company to be in control of when it makes payment to the Gadmobe Group Vendor despite the Group already having control of the acquired assets.

2.9.7 Maturity

If any of the Gadmobe Group Promissory Notes are not redeemed by the date falling two (2) years from the date on which they were issued (the "**Gadmobe Group Maturity Date**"), the Company shall redeem such Gadmobe Group Promissory Notes at 100% of their principal value without cost or penalty on the Gadmobe Group Maturity Date. On the Gadmobe Group Maturity Date, the Gadmobe Group Certificate representing such Gadmobe Group Promissory Notes shall be surrendered (at the registered office of the Company).

All interest accrued on the Gadmobe Group Promissory Notes shall be paid on the Gadmobe Group Maturity Date.

In the event the Company has insufficient funds to redeem the Gadmobe Promissory Notes at 100% of their principal value on the Gadmobe Group Maturity Date, the Gadmobe Group Maturity Date may be extended to a date and time to be mutually agreed in writing by the Gadmobe Group Noteholder and the Company. The Company will make further announcements as and when there are material updates in relation to the above matter.

2.9.8 Governing Law and Jurisdiction

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The Gadmobee Group Promissory Notes are governed by, and shall be construed in accordance with, the laws of Singapore.

Any dispute arising out of or in connection with the Gadmobee Group Promissory Notes, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the SIAC in accordance with the SIAC Rules for the time being in force, which rules are deemed to be incorporated by reference in this condition. The seat of arbitration shall be Singapore. The Tribunal shall consist of one arbitrator. The language of the arbitration shall be English. This condition is governed by the laws of Singapore.

2.9.9 The Board confirms that it shall procure that the Company, in exercising its right of redemption set out in paragraph 2.9.6 above, shall do so in a manner which is in the best interests of the Company and its shareholders and in circumstances that such redemption would not result in the Group being unable to continue as a going concern or negatively affect the Group's financial performance.

2.10 Relative Figures computed on the bases set out in Rule 1006 of the Catalist Rules relating to the Proposed Acquisition of 85% of the issued share capital of Gadmobee Group

2.10.1 The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules for the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group are as follows:

Rule 1006(a) of the Catalist Rules	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. ⁽¹⁾	Not Applicable ⁽²⁾
Rule 1006(b) of the Catalist Rules	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. ⁽³⁾	(118.52)% ⁽⁴⁾
Rule 1006(c) of the Catalist Rules	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.	89.81% ⁽⁵⁾
Rule 1006(d) of the Catalist Rules	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable ⁽⁶⁾
Rule 1006(e) of the Catalist Rules	The aggregate volume or amount proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not Applicable ⁽⁷⁾

Notes:

- (1) "Net assets" means total assets less total liabilities.
- (2) The Proposed Acquisition of 85% of the issued share capital of Gadmobee Group is an acquisition of assets not a disposal of assets.
- (3) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

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- (4) Based on the pro forma combined financial statements of Gadmobe Group for the six months ended 30 June 2021, the aggregate net profits attributable to the Gadmobe Group Sale Shares was approximately HK\$1.9 million (equivalent to approximately S\$0.32 million) which represents approximately (118.52)% of the Group's net loss of approximately S\$0.27 million for the six months ended 30 June 2021.
 - (5) The aggregate maximum value to be received by the Company in connection with the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group is approximately S\$17.90 million (comprising the Gadmobe Group Consideration of S\$15.2 million and the maximum Gadmobe Group Earnout Incentive of HK\$15.4 million (equivalent to approximately S\$2.7 million)) which represents approximately 89.81% of the Company's market capitalisation of approximately S\$19.93 million on 6 October 2021, being the last full market day on which trades were done, prior to the trading halt of the Company's shares on 7 October 2021, preceding the date of the Gadmobe Group SPA. The Company's market capitalisation was determined by multiplying the number of shares the Company has in issue (1,253,258,714 shares) by the weighted average price of such shares transacted on 6 October 2021, prior to the trading halt of the Company's shares on 7 October 2021, preceding the date of the Gadmobe Group SPA (S\$0.0159).
 - (6) No equity securities will be issued by the Company in connection with the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group.
 - (7) The Company is not a mineral, oil and gas company. The Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group is an acquisition of assets not a disposal of assets.
 - (8) The number of shares in the Company used in the above computations exclude the increase in the number of shares of the Company subsequent to its entry into the placement agreements with Ms Zheng and IEPL.
- 2.10.2 The relative figures of computed on the bases set out in Catalist Rule 1006(c) exceeds 75% but is less than 100%, the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group is classified as a "major transaction" under Catalist Rule 1014.
- 2.10.3 In addition, the relative figures set out in Catalist Rule 1006(b) involves a negative figure. Therefore, Chapter 10 of the Catalist Rules may still be applicable to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules. As the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group does not fall within all the situations in paragraphs 4.3 and 4.4 of Practice Note 10A of the Catalist Rules, Catalist Rule 1014 shall apply to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group.
- 2.10.4 Catalist Rule 1014 requires, *inter alia*, that (a) the Company immediately announce the information required in Catalist Rules 1010, 1011, 1012 and 1013, where applicable; and (b) the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group must be made conditional upon approval by shareholders in a general meeting. The required information has been disclosed accordingly in the Company's announcement dated 12 October 2021 and the information required in Catalist Rules 1010, 1011, 1012 and 1013 (where applicable) has been disclosed accordingly in this Circular.
- 2.10.5 Although one of the relative figures (taking into account only the absolute value) exceeds 100%, the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group is a case of an acquisition of profitable assets where the only limit breached is Catalist Rule 1006(b). Therefore, Catalist Rule 1015 does not apply to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group pursuant to Catalist Rule 1015(8) and the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group is not classified as a "very substantial acquisition" under Catalist Rule 1015.
- 2.11 Financial Effects of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group**
- 2.11.1 The financial effects of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group on the NTA per share and the LPS of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020.
- 2.11.2 For illustrative purpose, the financial effects of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group have been prepared based on, *inter alia*, the following assumptions:

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- (a) the financial effects on the NTA per share of the Group and LPS of the Group are computed assuming 1,566,508,714 shares in the issued share capital of the Company;
- (b) the financial effects on the NTA per share of the Group are computed assuming that the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group was completed on 31 December 2020;
- (c) the financial effects on the LPS of the Group are computed assuming that the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group was completed on 1 January 2020;
- (d) the costs and expenses in connection with the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group shall be disregarded;
- (e) the aggregate net profits attributable to the Sale Shares was approximately HK\$1.9 million (equivalent to approximately S\$0.3 million) for the six months ended 30 June 2021; and
- (f) the 8% interest expenses of the Gadmobe Group Promissory Notes of approximately S\$1.2 million.

2.11.3 There are no profits or losses attributable to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group.

2.11.4 Financial Effects on the NTA per share of the Group

	Before Completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group	After completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group	After completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group adjusted ⁽¹⁾
NTA as at 31 December 2020 (S\$'000)	9,001	9,001	9,001
Number of shares in the Company, excluding treasury shares and subsidiary holdings ⁽²⁾	1,566,508,714	1,566,508,714	1,566,508,714
NTA per share of the Group (Singapore cents)	0.57	0.57	0.57

Notes:

- (1) Assuming that (a) the Gadmobe Group Vendor has repaid all loans made by the Gadmobe Group Companies to the Gadmobe Group Vendor, which in aggregate amount to approximately HK\$10.6 million (equivalent to approximately S\$1.8 million) as at the date of the Gadmobe Group SPA; and (b) the Gadmobe Group Companies has declared dividends, which in aggregate amount to approximately HK\$9.3 million (equivalent to approximately S\$1.6 million), to the Gadmobe Group Vendor, before completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group.

2.11.5 Financial Effects on the EPS of the Group

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	Before Completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group	After completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group	After completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group adjusted ⁽¹⁾
Net earnings for the financial year ended 31 December 2020 (S\$'000)	(5,032)	(5,927)	(5,927)
Weighted average number of Shares in the Company, excluding treasury shares and subsidiary holdings ⁽²⁾	1,566,508,714	1,566,508,714	1,566,508,714
LPS of the Group (Singapore cents)	(0.32)	(0.38)	(0.38)

Notes:

(1) Assuming that (a) the Gadmobile Group Vendor has repaid all loans made by the Gadmobile Group Companies to the Gadmobile Group Vendor, which in aggregate amount to approximately HK\$10.6 million (equivalent to approximately S\$1.8 million) as at the date of the Gadmobile Group SPA; and (b) the Gadmobile Group Companies has declared dividends, which in aggregate amount to approximately HK\$9.3 million (equivalent to approximately S\$1.6 million), to the Gadmobile Group Vendor, before completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group.

2.11.6 The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group upon completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group. No representation is made as to the actual future results and/or financial position of the Company and/or the Group.

2.12 Interests of Directors and Substantial Shareholders

None of the directors and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group, other than through their respective shareholdings in the Company, if any.

2.13 Service Contracts in connection with the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobile Group

The Gadmobile Group Vendor is proposed to be appointed as an executive director of the Company, subject to approvals from the nominating committee and the board of directors of the Company, the Sponsor and/or the SGX-ST (as the case may be). The Company proposes to enter into a service agreement with the Gadmobile Group Vendor in connection with the appointment of the Gadmobile Group Vendor as an executive director of the Company. The strategic management of the e-commerce businesses shall be jointly managed by the Group's Executive Director, Mr Christian Kwok-Leun Yau Heilesen and the management of the E-Commerce Business, including Mr. Tam Ki Ying (whom the Company will be appointing as detailed).

2.13.1 Term

The service agreement shall be for an initial period of three (3) years commencing from the date of the service agreement (or such other date as the Company and the Gadmobile Group Vendor may agree in writing), unless terminated in accordance with the terms of the service agreement. Upon expiry of the initial term, the appointment may, at the option of the Company, be extended for such further period on terms to be agreed between the Company and the

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Gadmobe Group Vendor. At least three (3) months before the end of the initial term, the Company shall give the Gadmobe Group Vendor notice in writing of whether it intends to exercise the option to extend the appointment beyond the initial term and the terms on which the appointment is extended.

2.13.2 Termination

The service agreement may be terminated at any time (i) by either the Company or the Gadmobe Group Vendor giving to the other party not less than three (3) months' notice in writing; or (ii) by the Company immediately giving the Gadmobe Group Vendor notice in writing, provided that a sum equivalent to three (3) months' salary (based on the Gadmobe Group Vendor's last drawn monthly salary) shall be paid to the Gadmobe Group Vendor.

In addition, subject to the provisions of the Employment Act, Chapter 91 of Singapore, the Company may terminate the service agreement forthwith immediately based on usual and customary termination grounds. Upon such termination, no compensation or liability shall be payable or incurred by the Company to the Gadmobe Group Vendor.

2.13.3 Non-solicitation Provisions and Restrictive Covenants

The Gadmobe Group Vendor shall be subject to usual and customary non-solicitation provisions and restrictive covenants (which include non-compete provisions).

2.13.4 Remuneration

Under the terms of the service agreement, the Gadmobe Group Vendor shall receive a monthly salary and shall be entitled to a discretionary annual incentive bonus determined at the discretion of the remuneration committee and the board of directors of the Company.

The Gadmobe Group Vendor may also, if the remuneration committee of the Company in its absolute discretion deems fit, be entitled to participate in such share incentive scheme as may be implemented by the Company, if applicable, on the terms of such share incentive scheme and subject to the relevant provisions of the Catalyst Rules.

2.14 **Confirmation by the Company**

The Company confirms that the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group does not contravene any laws and regulations governing the Company and the Constitution of the Company.

3. **PROPOSED ACQUISITION OF 55% OF THE ISSUED SHARE CAPITAL OF GOLDEN ULTRA**

3.1 **Introduction**

3.1.1 On 12 October 2021, the Company announce that the Company has entered into a share purchase agreement (the "**Golden Ultra SPA**") with Mr Christian Kwok-Leun Yau Heilesen ("**Mr Heilesen**" or the "**Golden Ultra Vendor**") in relation to, *inter alia*, the acquisition of 550 shares (the "**Golden Ultra Sale Shares**") in Golden Ultra (as defined in **Section 3.2**), representing 55% of issued share capital of Golden Ultra (the "**Proposed Acquisition of 55% of the issued share capital of Golden Ultra**"). As of the date of this Circular, Golden Ultra is wholly-owned by Mr Heilesen.

3.1.2 Upon the completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra, the Company will hold 550 shares in the Target, representing 55% of the issued share capital of Golden Ultra and the Golden Ultra Vendor will hold the 30 shares in Golden Ultra, representing 3% of the issued share capital of Golden Ultra. Incredible will hold 420 shares in the Target, representing 42% of the issued share capital of Golden Ultra subject to shareholders'

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approval being obtained by Incredible. Each shareholder of Golden Ultra shall be entitled to the risks and rewards in proportion to their respective equity interest in Golden Ultra.

- 3.1.3 Mr Heilesen believes that Golden Ultra fits the business model of the Company. The Company will manage the business together with Incredible and the board of directors of Golden Ultra will comprise 3 directors, 2 from the Company and 1 from Incredible. Notwithstanding that the exact composition of the board of directors for CKLY Trading Limited has not been confirmed as at the Latest Practicable Date, the Company would have control over Golden Ultra upon completion of the acquisition by the Company and Incredible. Hence, Golden Ultra would be a subsidiary of the Company and its financials would be consolidated into the Group's financials.
- 3.1.4 The Company had, on 17 December 2021, appointed the IFA, W Capital Markets Pte. Ltd. (the "IFA") as the independent financial adviser to opine on whether the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is on normal commercial terms and whether the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is prejudicial to the interests of the Company and its minority Shareholders.

3.2 Information on the Target

3.2.1 Corporate Information

(a) *Golden Ultra Limited*

Golden Ultra Limited is a private company incorporated in the British Virgin Islands on 2 July 2021 and has an issued capital of US\$1,000 comprising 1,000 shares as at the Latest Practicable Date. Golden Ultra Limited is solely an investment holding company with no other business or operations and accordingly, no regular customer base. Golden Ultra Limited was incorporated on 2 July 2021 and therefore no audited financial statements are available.

(b) *CKLY Trading Limited*

CKLY Trading Limited is a private company limited by shares incorporated in Hong Kong on 14 May 2014 and has an issued share capital of HK\$10,000 comprising 10,000 shares as at the Latest Practicable Date. CKLY Trading Limited is principally in the business of trading of watches through the online platform known as www.bestwatch.com.hk, which sells various luxury watch brands to customers in Hong Kong and other countries. Accordingly, CKLY Trading Limited is operating with recurring revenue, sustaining profits and has a regular customer base. The audited financial statements of CKLY Trading Limited for financial year ended 2018, 2019 and 2020 have been provided to the Company.

- 3.2.2 Golden Ultra Limited ("**Golden Ultra**") and CKLY Trading Limited collectively shall hereinafter be referred to as the "**Golden Ultra Group**".

3.2.3 Diversification into the Watch Trading Business

As the Golden Ultra Group is principally in the business of trading watches through online platforms, the Company has sought Shareholders' approval at an extraordinary general meeting of the Company held on 15 December 2021 for the diversification of the Group's existing businesses to include the business of designing, manufacturing, marketing, distributing, trading and selling of watches and watch accessories through the Group's own and third party internet websites, applications, retail stores and online platforms (the "**New Watch Business**").

3.2.4 Financial Information

Based on the pro forma combined financial statements of the Golden Ultra Group for the financial period ended 30 June 2021:

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- (a) the aggregate book value of the Golden Ultra Sale Shares was approximately HK\$6.2 million (equivalent to approximately S\$1.1 million) as at 30 June 2021;
- (b) the aggregate NTA value represented by the Golden Ultra Sale Shares was approximately HK\$6.2 million (equivalent to approximately S\$1.1 million) as at 30 June 2021. The NTA include an amount due from a director of the Golden Ultra Group, namely Mr Heilesen, of approximately HK\$8.3 million (equivalent to approximately S\$1.5 million) and amount due from Mr Heilesen's associates of approximately HK\$12.7 million (equivalent to approximately S\$2.2 million); and
- (c) the aggregate net profits attributable to the Golden Ultra Sale Shares was approximately HK\$1.5 million (equivalent to approximately S\$0.3 million) for the six months ended 30 June 2021.

Based on the pro forma combined financial statements of Golden Ultra Group for the six months ended 30 June 2021 and assuming that (a) the Mr Heilesen has repaid all loans made by the Golden Ultra Group to Mr Heilesen, which in aggregate amount to approximately HK\$8.3 million (equivalent to approximately S\$1.5 million); (b) and Mr Heilesen's associates has repaid all loans made by the Golden Ultra Group to Mr Heilesen's associates, which in aggregate amount to approximately HK\$12.7 million (equivalent to approximately S\$2.2 million); and (c) the Golden Ultra Group has declared dividends to Mr Heilesen, such amount to be determined on completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra (relying on the latest audited accounts of Golden Ultra Group) which will result in the NTA of the Golden Ultra Group to be HK\$0 (equivalent to approximately S\$0) (details of the repayment of loans and dividends to be declared are set out in **Section 3.6.3** of this Circular):

- (a) the aggregate book value of the Golden Ultra Sale Shares was approximately HK\$0 (equivalent to approximately S\$0 million) as at 30 June 2021;
- (b) the aggregate NTA value represented by the Golden Ultra Sale Shares was approximately HK\$0 million (equivalent to approximately S\$0 million) as at 30 June 2021; and
- (c) the aggregate net profits attributable to the Golden Ultra Sale Shares was approximately HK\$0.7 million (equivalent to approximately S\$0.12 million) for the six months ended 30 June 2021.

3.2.5 Valuation

The Company has commissioned FT Consulting Limited (the "**Golden Ultra Independent Valuer**") to conduct an independent valuation on the market value of the 100% equity interest of CKLY Trading Limited (the "**Golden Ultra Valuation Report**"). No valuation was conducted on Golden Ultra Limited as Golden Ultra Limited is solely an investment holding company with no other business or operations.

According to the Golden Ultra Valuation Report, the estimated fair market value of the 100% equity interest of CKLY Trading Limited, as at 30 June 2021 was HK\$138,290,000 (equivalent to approximately S\$24.1 million).

The valuation is based primarily on the income approach with reference made to the discounted cash-flow method, both of which were in line with the Professional Standards published by the Royal Institute of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council. For avoidance of doubt, the valuation did not include the repayment of the dividends to Mr Heilesen and loans due from the Golden Ultra Group to Mr Heilesen and his associates to be made.

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A copy of the Golden Ultra Valuation Report is set out in **Appendix B** to this Circular. Shareholders are advised to refer to the full text of the Golden Ultra Valuation Report for further details.

The key valuation assumptions adopted in the valuation are as follows:

- (a) According to the last three-year audited financial statements, CKLY Trading Limited has experienced a significant increase in revenue with a CAGR of 23% between 2017 to 2020. In the first half of 2021, the sales had already reached 70% of the year-round sales in 2020. Considering the recovery of overall economy in next few years, the management of CKLY Trading Limited are of opinion that the performance of annual sales will be better than historical performance.
- (b) With the restriction of traveling during COVID-19, there is a growing tendency for customers to purchase the goods they want by the online platform. In China, there is around 56% of consumers prefer to choose digital channel to collect the information related to luxury watches. As predicted by Mckinsey & Company, the global online share of the watches market will increase from 5% to 12% in 2025¹. Therefore, the increasing demand in online luxury watches markets will be expected to boost the sales of CKLY Trading Limited.
- (c) CKLY Trading Limited is mainly focused on Hong Kong market at present. In the future, CKLY Trading Limited has planned to expand luxury watches online markets in mainland China, East Asia and Europe. With the expansion of the target market, the CKLY Trading Limited will be expected to achieve higher revenue growth in the future years, and then enter into a stable development stage.
- (d) Once CKLY Trading Limited realizes the expansion of the overseas market, the revenue is expected to experience a significant high growth. After taking above aspects into consideration, the management predicted that the annual revenue growth in the first two years (being 2022 and 2023) will increase to around 38%, and then decrease to a stable level gradually.

Please see below projected income/revenue/net profits include in the next five (5) years as provided in the Golden Ultra Valuation Report:

Year	2021*	2022	2023	2024	2025
Revenue	257,419	716,667	995,523	1,274,269	1,478,152
Profit before Tax	5,438	14,920	24,455	33,937	40,616

Currency: HKD'000

Note: 2021 represents 1 July 2021 to 31 December 2021

3.3 Rationale and Benefits for the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra

- 3.3.1 The Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is part of the Group's corporate strategy to enter the watch trading business with a view to have diversified returns and the potential for long-term growth. The Board believes that the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra will provide the Group with new revenue streams, improve profitability and its prospects, and in turn, enhance shareholder's

¹ <https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion-watches-and-jewellery>

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value. The Board also believes that acquiring Golden Ultra Group will benefit the Group for the long term.

- 3.3.2 Completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is expected to take place in February 2022.

3.4 Consideration

- 3.4.1 The aggregate maximum value to be paid by the Company in connection with the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is approximately HK\$110 million (equivalent to approximately S\$19.2 million) comprising the Golden Ultra Consideration (as defined below) of HK\$82.5 million (equivalent to approximately S\$14.4 million) to be paid to the Golden Ultra Vendor by way of the Golden Ultra Promissory Notes (as defined below) and the maximum Golden Ultra Earnout Incentive (as defined below) of HK\$27.5 million (equivalent to approximately S\$4.8 million) assumed to be paid by the Company to the Golden Ultra Vendor in accordance with the formula and conditions detailed below.

3.4.2 Golden Ultra Consideration

The consideration for the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is HK\$82.5 million (equivalent to approximately S\$14.4 million) (the “**Golden Ultra Consideration**”). The Golden Ultra Consideration shall be paid to the Golden Ultra Vendor:

- (a) by way of promissory notes which shall bear interest at a rate of 8% per annum (the “**Golden Ultra Promissory Notes**”) in which the Company promises to pay HK\$82.5 million (equivalent to approximately S\$14.4 million) to the Golden Ultra Vendor in accordance with the terms of the Golden Ultra Promissory Notes; or
- (b) such other payment method as the Company and the Golden Ultra Vendor may agree in writing.

The Golden Ultra Consideration was arrived at arm’s length and on a willing-buyer-willing-seller basis after taking into account, *inter alia*, the following:

- (a) the market value of the 100% equity interest of CKLY Trading Limited as set out in the Golden Ultra Valuation Report and Golden Ultra Limited is investment holding company of CKLY Trading Limited and therefore not included in the Golden Ultra Valuation Report;
- (b) the aggregate net profits attributable to the Golden Ultra Sale Shares set out in the pro forma combined financial statements of the Golden Ultra Group for the six months ended 30 June 2021; and
- (c) the prevailing economic conditions.

The Golden Ultra Valuation Report formed a basis for the Golden Ultra Consideration for Golden Ultra.

Please see below table revenues, costs of sales, net profits, EBITDA and current net asset/liability and total net asset/liability figures of CKLY for FY2017 to HY2021:

	FY2017	FY2018	FY2019	FY2020	HY2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)
Revenue (HK\$'000)	200,216	299,494	310,870	310,870	258,503

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	FY2017 (Audited)	FY2018 (Audited)	FY2019 (Audited)	FY2020 (Audited)	HY2021 (Unaudited)
Cost of sales (HK\$'000)	197,191	291,538	300,523	357,252	250,620
Net profits (HK\$'000)	848	2,268	2,071	3,371	2,778
EBITDA (HK\$'000)	1,137	3,671	4,943	8,052	4,863
Current net assets (HK\$'000)	815	2,799	4,909	8,341	11,111
Total net assets (HK\$'000)	815	3,082	5,153	8,524	11,302

3.4.3 Golden Ultra Earnout Incentive

In addition to the Golden Ultra Consideration of HK\$82.5 million (equivalent to approximately S\$14.4 million), the Company shall pay the Golden Ultra Vendor an earnout incentive (calculated based on the formula below) (the “**Golden Ultra Earnout Incentive**” or “**GUL Earnout Incentive**”) in two tranches. The first tranche of the Golden Ultra Earnout Incentive shall be paid within seven (7) business days from the date the Company announces its audited consolidated financial statements of the Group for the six months ending 30 June 2022 via SGXNet. The second tranche of the Golden Ultra Earnout Incentive shall be paid within seven (7) business days from the date the Company announces its audited financial statements of the Group for the FY2022. The maximum Golden Ultra Earnout Incentive payable by the Company to the Golden Ultra Vendor, shall be HK\$27.5 million (equivalent to approximately S\$4.8 million).

First Tranche of the GUL Earnout Incentive = HY EBITDA × 8 × 55%

Where “**HY EBITDA**” means earnings before interest, taxes, depreciation and amortisation based on the unaudited consolidated financial statements of the Golden Ultra Group for the financial period ending 30 June 2022.

*Second Tranche of the GUL Earnout Incentive
= (FY EBITDA × 8 × 55%) – First Tranche of the GUL Earnout Incentive*

Shareholders should note that due to an inadvertent typographical error, the definition of “**HY EBITDA**” as stated in the Company’s announcement dated 12 October 2021 was incorrect. The definition of “**HY EBITDA**” has since been rectified in this Circular and corrected as follows:

*Where “**HY EBITDA**” means earnings before interest, taxes, depreciation and amortisation based on the unaudited consolidated financial statements of the Golden Ultra Group for the financial **year period** ending 30 June 2022.*

Where “**FY EBITDA**” means earnings before interest, taxes, depreciation and amortisation based on the audited consolidated financial statements of the Golden Ultra Group for the

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financial year ending 31 December 2022.

The first and second tranches of the Golden Ultra Earnout Incentive shall be paid to the Golden Ultra Vendor:

- (a) by way of Golden Ultra Promissory Notes which shall bear interest at a rate of 8% per annum in which the Company promises to pay the relevant sums under the Golden Ultra Earnout Incentive to the Golden Ultra Vendor in accordance with the terms of the Golden Ultra Promissory Notes; or
- (b) such other payment method as the Company and the Golden Ultra Vendor may agree in writing.

In the event that the second tranche of the Golden Ultra Earnout Incentive (calculated based on the formula above) is negative and the negative figure (insofar as the absolute value is concerned) is:

- (a) equal or more than the first tranche of the Golden Ultra Earnout Incentive, the Golden Ultra Vendor shall surrender the Golden Ultra Certificate (defined in **Section 3.7**) representing all Golden Ultra Promissory Notes issued by the Company in respect of the first tranche of the Golden Ultra Earnout Incentive within seven (7) business days from the date the Company announces its audited consolidated financial statements of the Group for FY2022 and such Golden Ultra Promissory Notes shall be cancelled and cease to be valid for any purpose without cost or penalty to the Company. If any Golden Ultra Promissory Notes issued by the Company in respect of the first tranche of the Golden Ultra Earnout Incentive is redeemed by the Company prior to such date, the Golden Ultra Vendor shall repay a sum equivalent to the sum paid by the Company in respect of that redemption within seven (7) business days from the date the Company announces its audited consolidated financial statements of the Group for FY2022; and
- (b) less than the first tranche of the Golden Ultra Earnout Incentive, the Golden Ultra Vendor shall surrender the Golden Ultra Certificate representing Golden Ultra Promissory Notes issued by the Company in respect of the first tranche of the Golden Ultra Earnout Incentive with an aggregate principal value equivalent to the negative figure (insofar as the absolute value is concerned) within seven (7) business days from the date the Company announces its audited consolidated financial statements of the Group for FY2022 and such Golden Ultra Promissory Notes shall be cancelled and cease to be valid for any purpose without cost or penalty to the Company. If the aggregate principal value of the outstanding Golden Ultra Promissory Notes issued by the Company in respect of the first tranche of the Golden Ultra Earnout Incentive is less than the negative figure (insofar as the absolute value is concerned), the Golden Ultra Vendor shall repay a sum in cash equivalent to the difference between the aggregate principal value of the outstanding Golden Ultra Promissory Notes issued by the Company in respect of the first tranche of the Golden Ultra Earnout Incentive and the negative figure (insofar as the absolute value is concerned) within seven (7) business days from the date the Company announces its audited consolidated financial statements of the Group for FY2022.

The maximum Golden Ultra Earnout Incentive was arrived at arm's length and on a willing-buyer-willing-seller basis after taking into account, *inter alia*, the following:

- (a) the Golden Ultra Group comprise fast-growing company with knowledgeable and experienced personnel in the trading of watches; and
- (b) the potential revenue that may be generated by the Golden Ultra Group.

3.4.4 Rationale for Premium over the Valuation

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The Board is of the view that Golden Ultra Group has been operating in the watch retailing business since 2016. Golden Ultra Group has been profitable for five (5) years in a row, and with a positive and growing EBITDA. Thanks to its omni channel approach to watch retailing, they are able to sell to and attract customers through online means as well as for clients that walk-in at the shop/office level.

Golden Ultra Group is capable of demonstrating that it has the following other benefits to the Company:

- (1) better knowledge and experience of watch trading to retail customers than many of the similar competitors;
- (2) competent know-how and personnel (15 employees) to support the operation and expansion of the watch trading business;
- (3) extensive network of existing suppliers, customers, dealers and connections from the dealing of watches for the last 5 to 6 years;
- (4) value of its own website on www.bestwatch.com.hk, and the search engine optimisation (“SEO”) that is included in the website;
- (5) the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra makes sense economically in terms of time and cost savings for the Company to acquire Golden Ultra with a profitable track record as new projects and businesses developed by the Company will take time, management resources and significant costs to setup. Furthermore, such business developments from scratch may not achieve a good outcome or profitable outcome for the Company. The Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra will expedite the Company’s road to profitability while enabling the Company to execute the New Watch Business in a quick and fast manner;
- (6) the Golden Ultra Consideration shall be paid by way of Golden Ultra Promissory Notes that are not satisfied out of Company’s immediate existing capital and cash resources, and hence enables the Company to enter into a sale and purchase contract without straining the immediate cashflow of the Company immediately;
- (7) Golden Ultra’s existing office and setup that will speed up the expansion of the Company’s expansion efforts into Hong Kong; and
- (8) the Board is also of the view that the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra provides another avenue for the Company to grow its businesses.

3.4.5 Taking into account the above factors, the Directors are of the view that the Golden Ultra Consideration which consists of earnout is fair and represents a good structure to ensure all parties are aligned for the successful execution of the Golden Ultra SPA, and the future goal to ensure the Group can grow and expand profitably using the extensive supplier and distribution network that Golden Ultra has accumulated over the years.

3.5 Source of Funds

3.5.1 The Golden Ultra Consideration of HK\$82.5 million (equivalent to approximately S\$14.4 million) to be paid to the Golden Ultra Vendor by way of the Golden Ultra Promissory Notes when redeemed, the maximum Golden Ultra Earnout Incentive of HK\$27.5 million (equivalent to approximately S\$4.8 million) payable by the Company to the Golden Ultra Vendor by way of Golden Ultra Promissory Notes when redeemed, and the estimated costs and expenses to be incurred in connection with the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra of S\$100,000 shall be funded through fund raising exercises such as an issue of additional equity securities by way of a rights issue, placement or otherwise as announced by the Company on 25 May 2021, 23 June 2021, 29 June 2021, 30 June 2021, 8 November 2021,

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12 November 2021, 29 November 2021, 31 December 2021 and 1 January 2022.

The interest incurred from the issuance of Promissory Notes, at a rate of 8% per annum, payable annual in arrears, will be funded through the cash flows generated from the operations of the Company.

- 3.5.2 In the event Golden Ultra requires further working capital or funding in the future, funding can be sourced from external borrowings, shareholder loans and/or shareholder equity injection. Depending on prevailing circumstances, should there is a need of funding from the shareholders of the Golden Ultra, the Company envisages that the funding will be contributed in proportion to its equity interest in Golden Ultra.

3.6 Principal Terms of the Golden Ultra SPA

According to the Golden Ultra SPA:

3.6.1 Conditions Precedent

The obligations of the Company and the Golden Ultra Vendor (the “**Golden Ultra Parties**”) under the Golden Ultra SPA are conditional upon, and completion shall not take place until, all the following conditions precedent have been fulfilled:

- (a) the Golden Ultra Vendor having procured all necessary approvals from the board of directors and/or the shareholders of the Golden Ultra Group in connection with the Golden Ultra SPA and the transactions contemplated therein, and such approval not having been amended or revoked before the completion date;
- (b) the Company having obtained all necessary approvals from its board of directors in connection with the Golden Ultra SPA and the transactions contemplated therein;
- (c) the Company being reasonably satisfied with the results of the due diligence investigations (legal, financial (including the audited financial statements of the Golden Ultra Group), tax or otherwise) conducted on the Golden Ultra Group;
- (d) the Golden Ultra Vendor having procured the rectification by the Golden Ultra Group of all issues and/or irregularities uncovered during the due diligence investigations to the reasonable satisfaction of the Company;
- (e) the Company having obtained approvals from its shareholders at an extraordinary general meeting of the Purchaser to be convened in connection with the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and the diversification of the existing businesses of the Group to include the New Watch Business;
- (f) the Company being reasonably satisfied that there has been no material adverse change, or events, acts or omissions likely to lead to a material adverse change, in the business, operations, assets, financial condition and/or prospects of the Golden Ultra Group;
- (g) each of the representations, warranties and undertakings given by the Golden Ultra Vendor remaining true and accurate in all material respects as at the completion date (by reference to the facts and circumstances then subsisting) with the same force and effect as if repeated on the completion date;
- (h) the Golden Ultra Vendor obtaining all necessary consents, approvals and waivers in respect of any right of pre-emption or any other restriction conferred under the constitution of the Golden Ultra Group or otherwise in relation to the sale and purchase of the Golden Ultra Sale Shares to the Company and/or its nominees, and such

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consents, approvals and waivers not having been amended or revoked before the completion date; and

- (i) all necessary consents, approvals and waivers where required for the transactions contemplated under the Golden Ultra SPA (including third party, governmental and regulatory consents, approvals and waivers) having been obtained by the Company and the Golden Ultra Vendor, and such consents, approvals and waivers not having been amended or revoked before the completion date, and if any such consents, approvals or waivers are subject to conditions, such conditions being fulfilled on or before the completion date.

3.6.2 Golden Ultra Long Stop Date

“**Golden Ultra Long Stop Date**” means twelve (12) months from the date of the Golden Ultra SPA, or such other later date as the Parties may agree in writing. If any of the conditions precedent above is not fulfilled on or before 5.00 p.m. on the Golden Ultra Long Stop Date and such non-fulfilment is not waived by the party who has the benefit of such condition precedent, the Golden Ultra SPA shall lapse and no party shall have any claim against the other party under the Golden Ultra SPA, save for any claim arising from antecedent breaches of the Golden Ultra SPA.

3.6.3 Loans to be repaid by Mr Heilesen and his Associates and Dividends to be Declared to Mr Heilesen

The Company and Mr Heilesen and his associates have agreed that:

- (a) Mr Heilesen and his associates shall repay all loans made by CKLY Trading Limited to Mr Heilesen and his associates, details of which are set out below, by 30 June 2022.
 - (i) An interest free loan of approximately HK\$8.3 million (equivalent to approximately S\$1.5 million) extended by CKLY Trading Limited to Mr Heilesen.
 - (ii) An interest free loan of approximately HK\$12.7 million (equivalent to approximately S\$2.2 million) extended by CKLY Trading Limited to Mr Heilesen’s associates.
- (b) The Golden Ultra Group shall declare dividends to Mr Heilesen, such amount to be determined on the completion date of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra (relying on the latest audited accounts of Golden Ultra Group) which will result in the NTA of the Golden Ultra Group to be HK\$0 (equivalent to approximately S\$0). The amount of dividends to be declared which will be recognised on the completion date of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra in the following sequence:
 - (i) A dividend by CKLY Trading Limited to Golden Ultra Limited; and thereafter
 - (ii) A dividend by Golden Ultra Limited to Mr Heilesen.

As at the Latest Practicable Date, CKLY Trading Limited had declared and paid a dividend of HK\$10 million on 31 August 2021 (equivalent to approximately S\$1.74 million) to Mr Heilesen.

3.6.4 Indemnity

The Golden Ultra Vendor has agreed to indemnify, defend and hold harmless the Company (and its directors, officers, employees, agents, representatives, affiliates, successors and assigns) or at the Company’s option, the Golden Ultra Group, from and against any and all losses, liabilities, fines, penalties, costs (including legal or arbitral costs, advisors’, experts’ and

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consultants' fees and costs of enforcement of any settlements, judgments or arbitral awards), charges, expenses, actions, proceedings, investigations, claims and demands which the Company or the Golden Ultra Group (as the case may be) may at any time and from time to time sustain, incur or suffer by reason of:

- (a) any non-compliance by the Golden Ultra Group with applicable laws and regulations; and
- (b) any breach by the Golden Ultra Vendor of its representations, warranties and undertakings contained in the Golden Ultra SPA.

3.6.5 Costs and Expenses

Each party shall bear and be responsible for its respective costs and expenses incurred in relation to the negotiation, preparation, finalisation, execution and performance of the Golden Ultra SPA and the transactions contemplated therein.

The Company shall bear the cost of all notarial fees and all registration, stamp and transfer taxes and duties or their equivalents in all jurisdictions where such fees, taxes and duties are payable as a result of the transactions contemplated by the Golden Ultra SPA. The Company shall be responsible for arranging the payment of all such fees, taxes and duties, including fulfilling any administrative or reporting obligation imposed by the jurisdiction in question in connection with the payment of such fees, taxes and duties.

3.6.6 Governing Law and Jurisdiction

The Golden Ultra SPA shall be governed by, and construed in accordance with, the laws of Singapore.

Any dispute arising out of or in connection with the Golden Ultra SPA, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the SIAC in accordance with the SIAC Rules for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of arbitration shall be Singapore. The Tribunal shall consist of one arbitrator. The language of the arbitration shall be English. This clause is governed by the laws of Singapore.

3.7 **Principal Terms of the Golden Ultra Promissory Notes**

According to the terms of the Golden Ultra Promissory Notes:

3.7.1 Form, Denomination and Title

Each Golden Ultra Promissory Note is issued in registered form, serially numbered and in the denomination of S\$1.00 each.

The Golden Ultra Promissory Notes are represented by registered certificates ("**Golden Ultra Certificates**") and, save as provided, each Golden Ultra Certificate shall represent the entire holding of Golden Ultra Promissory Notes by the same holder.

"**Golden Ultra Noteholder**" means the person in whose name a Golden Ultra Promissory Note is registered in the register.

3.7.2 Transfer

One or more Golden Ultra Promissory Notes may be transferred by giving the Company 14 business days' notice in writing and the date falling on the 14th business day after the date of receipt of the transfer notice shall be the "**Golden Ultra Elected Transfer Date**". On the Golden

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Ultra Elected Transfer Date, the Golden Ultra Certificate representing such Golden Ultra Promissory Notes to be surrendered shall be surrendered (at the registered office of the Company), together with the form of transfer endorsed on such Golden Ultra Certificate, duly completed and executed. No transfer of title to any Golden Ultra Promissory Note will be valid or effective unless and until entered on the register.

In the case of a transfer of part only of a holding of Golden Ultra Promissory Notes represented by one Golden Ultra Certificate, a new Golden Ultra Certificate shall be issued to the transferee in respect of the part transferred and a further new Golden Ultra Certificate in respect of the balance of the holding not transferred shall be issued to the transferor, provided that, in the case of a transfer of Golden Ultra Promissory Notes to a person who is already a holder of Golden Ultra Promissory Notes, a new Golden Ultra Certificate representing the enlarged holding shall only be issued against the surrender of the Golden Ultra Certificate representing the existing holding.

3.7.3 Restrictions on Transfer

No Golden Ultra Promissory Note may be transferred by a Golden Ultra Noteholder without the prior written consent of the Company (such consent not to be unreasonably withheld).

3.7.4 Status

The Golden Ultra Promissory Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall at all times rank *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Company, save for such exceptions as may be provided by mandatory provisions under applicable laws and regulations.

3.7.5 Interest

Each Golden Ultra Promissory Note shall bear interest from the date on which it is issued at a rate of 8% per annum, payable annually in arrears.

The Board considered other financing options available in the market but none of the financing options considered were suitable for the Company as compared to the Golden Ultra Promissory Note, given the Company's relatively small market capitalisation of approximately S\$19.93 million as at 6 October 2021. The Company had requested for a trading halt on 7 October 2021 and accordingly, this was the last full market day on which trades were done preceding the date of the Golden Ultra SPA.

3.7.6 Redemption

The Company may give a Golden Ultra Noteholder 14 business days' notice in writing to redeem one or more Golden Ultra Promissory Notes held by that Golden Ultra Noteholder at 100% of their principal value without cost or penalty, and the date falling on the 14th business day after the date of receipt of the redemption notice shall be the "**Golden Ultra Elected Redemption Date**". On the Golden Ultra Elected Redemption Date, the Golden Ultra Certificate representing such Golden Ultra Promissory Notes to be redeemed shall be surrendered (at the registered office of the Company).

In the case of a redemption of part only of a holding of Golden Ultra Promissory Notes represented by one Golden Ultra Certificate, a new Golden Ultra Certificate in respect of the balance of the holding not redeemed shall be issued to the Noteholder.

All interest accrued on the Golden Ultra Promissory Notes shall be paid on the Golden Ultra Elected Redemption Date.

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For the avoidance of doubt, the Golden Ultra Promissory Notes are not redeemable at the option of the Golden Ultra Noteholders. Mr Heilesen shall abstain from the decision-making process in relation to the redemption of the Golden Ultra Promissory Notes.

As such, the redemption of the Golden Ultra Promissory Notes, which is unsecured and unsubordinated, is at the discretion of the Company which allows the Company to be in control of when it makes payment to the Golden Ultra Vendor despite the Group already having control of the acquired assets.

3.7.7 Maturity

If there are outstanding Golden Ultra Promissory Notes that are not redeemed by the Company on the date falling two years from the date on which they were issued (the “**Golden Ultra Maturity Date**”), the Company shall redeem such Golden Ultra Promissory Notes at 100% of their principal value without cost or penalty on the Golden Ultra Maturity Date. On the Golden Ultra Maturity Date, the Golden Ultra Certificate representing such Golden Ultra Promissory Notes shall be surrendered (at the registered office of the Company).

All interest accrued on the Golden Ultra Promissory Notes shall be paid on the Golden Ultra Maturity Date.

In the event the Company has insufficient funds to redeem the Golden Ultra Promissory Notes at 100% of their principal value on the Golden Ultra Maturity Date, the Golden Ultra Maturity Date may be extended to a date and time to be mutually agreed in writing by the Golden Ultra Noteholder and the Company. The Company will make further announcements as and when there are material updates in relation to the above matter.

3.7.8 Governing Law and Jurisdiction

The Golden Ultra Promissory Notes are governed by, and shall be construed in accordance with, the laws of Singapore.

Any dispute arising out of or in connection with the Golden Ultra Promissory Notes, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the SIAC in accordance with the SIAC Rules for the time being in force, which rules are deemed to be incorporated by reference in this condition. The seat of arbitration shall be Singapore. The Tribunal shall consist of one arbitrator. The language of the arbitration shall be English. This condition is governed by the laws of Singapore.

- 3.7.9 The Board confirms that it shall procure that the Company, in exercising its right of redemption set out in paragraph 3.7.6 above, shall do so in a manner which is in the best interests of the Company and its shareholders and in circumstances that such redemption would not result in the Group being unable to continue as a going concern or negatively affect the Group’s financial performance.

3.8 **The Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra as an “Interested Person Transaction” under Chapter 9 of the Catalist Rules**

3.8.1 The Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra as an “Interested Person Transaction” under Chapter 9 of the Catalist Rules

As at the Latest Practicable Date, Mr Heilesen, who is a director and the controlling shareholder of the Company, holding indirectly 171,314,400 ordinary shares of the Company, representing approximately 12.02% of the issued share capital of the Company, has an interest of 30% or more in Golden Ultra. Accordingly, Golden Ultra is an associate of Mr Heilesen. Therefore, Golden Ultra is an “interested person” under Chapter 9 of the Catalist Rules and the Proposed

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Acquisition of 55% of the Issued Share Capital of Golden Ultra is an “interested person transaction” under Chapter 9 of the Catalyst Rules.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020, the Group’s latest audited NTA amounts to approximately S\$9.0 million.

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

Description of Transaction	Before Completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra		After Completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	
	Amount	% ⁽¹⁾	Amount	% ⁽¹⁾
Proposed Issuance of Perpetual Convertible Bonds and Warrants to Incredible by the Company	S\$42.3 million	470.28%	S\$42.3 million	470.28%
Proposed Subscription of Perpetual Bonds, Perpetual Convertible Bonds and Warrants to be issued by Incredible	S\$10.6 million	117.78%	S\$10.6 million	117.78%
Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra from Mr Heilesen	-	-	HK\$110 million (equivalent to approximately S\$19.2 million)	213.33
Total	S\$52.9 million	588.06%	S\$72.1 million	801.39%

Notes:

(1) As a percentage of the Group’s latest audited NTA of approximately S\$9.0 million.

The current total of all transactions with Mr Heilesen and his associates for the period commencing 1 January 2021 up to the Latest Practicable Date is set out in the table below.

Announced Date	Description	Net Asset Value	Total Consideration/ Value at Risk
1 June 2021	Acquisition of Fund Joy Limited ⁽¹⁾	HK\$1	HK\$1
12 October 2021	Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	HK\$6.2 million	S\$19.2 million
1 January 2022	Proposed Issuance of Perpetual Convertible Bonds and Warrants	-	S\$42.3 million

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1 January 2022	Proposed Subscription of Perpetual Bonds, Perpetual Convertible Bonds and Warrants	-	S\$10.6 million
Total		HK\$6.2 million	S\$72.1 million

Notes:

(1) The acquisition of Fund Joy Limited has been completed on 18 June 2021.

The current total of all interested person transactions (excluding interested person transactions less than S\$100,000) for the period from 1 January 2021 up to the Latest Practicable Date is set out in the table below.

Description of Transaction	Before Completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra		After Completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	
	Amount	% ⁽¹⁾	Amount	% ⁽¹⁾
Proposed Issuance of Perpetual Convertible Bonds and Warrants to Incredible by the Company	S\$42.3 million	470.28%	S\$42.3 million	470.28%
Proposed Subscription of Perpetual Bonds, Perpetual Convertible Bonds and Warrants to be issued by Incredible	S\$10.6 million	117.78%	S\$10.6 million	117.78%
Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra from Mr Heilesen	-	-	HK\$110 million (equivalent to approximately S\$19.2 million)	213.33
Total	S\$52.9 million	588.06%	S\$72.1 million	801.39%

Notes:

(1) As a percentage of the Group's latest audited NTA of approximately S\$9.0 million.

Pursuant to:

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

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As the value of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra as an “interested person transaction” under Chapter 9 of the Catalist Rules is more than 5% of the Group’s latest audited NTA, the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is conditional upon approval by Shareholders in the EGM pursuant to Rule 906 (1)(a) of the Catalist Rules.

3.8.2 Opinion of the IFA

The Company had, on 17 December 2021, appointed the IFA, W Capital Markets Pte. Ltd., as the independent financial adviser to opine on whether the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is on normal commercial terms and whether the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter issued by the IFA containing the opinion of the IFA on whether the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is on normal commercial terms and whether the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is prejudicial to the interests of the Company and its minority Shareholders is set out in **Appendix C** to this Circular. The following is an extract from the IFA Letter and should be read by Shareholders in conjunction with, and in the context of, the full text of the IFA Letter. All capitalised terms used in the extract below shall have the meanings ascribed to them in the IFA Letter, unless the context requires otherwise or unless otherwise stated.

“6. OUR OPINION

In arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed Acquisition of Golden Ultra. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key considerations which we consider to be pertinent to our assessment of the Proposed Acquisition of Golden Ultra:

- (a) the rationale and benefits for the Proposed Acquisition of Golden Ultra, details of which are set out in Paragraph 5.1 of this IFA Letter;*
- (b) the analysis of the historical financial performance and financial condition of CKLY Trading Limited, details of which are set out in Paragraph 5.2 of this IFA Letter;*
- (c) assessment of the fairness of the Maximum Consideration for the Proposed Acquisition of Golden Ultra, details of which are set out in Paragraph 5.3 of this IFA Letter. In this regard, it is noted that the Maximum Consideration represents a premium of HK\$33.9 million (or approximately 44.5%) to the market value attributable to the Golden Ultra Sale Shares with reference to the independent valuation of CKYL Trading Limited. It is further noted that in arriving at the Maximum Consideration, apart from the Valuation Report, the Directors have also taken into account various non-quantitative factors as set out in Paragraph 5.3.1 of this IFA Letter;*
- (d) assessment of the reasonableness of interest rate of the Golden Ultra Promissory Notes, details of which are set out in Paragraph 5.4 of this IFA Letter; and*
- (e) other relevant considerations, details of which are set out in Paragraph 5.5 of this IFA Letter, which relates to our assessment on the Proposed Acquisition of Golden Ultra.*

Having regard to the foregoing considerations as set out above and information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the Proposed Acquisition of Golden Ultra is not on normal commercial terms and may

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be prejudicial to the interests of the Company and its Minority Shareholders, taking into consideration in particular that the Consideration for the Proposed Acquisition of Golden Ultra is at a 44.5% premium to the market value attributable to the Golden Ultra Sale Shares based on the Valuation Report and that the NTA of Golden Ultra Group will be reduced to HK\$0 upon the completion of the Proposed Acquisition of Golden Ultra and the payment of the Pre-completion Dividend Payout.

Shareholders are advised to read the IFA Letter set out in Appendix C to this Circular carefully.

3.8.3 Statement by the Audit Committee

The members of the Audit Committee comprise Mr Leung Kwok Kuen Jacob, Mr Chay Yiowmin, Mr Leung Yu Tung Stanley and Ms Zhou Jia Lin. Considering the independent valuer's relevant experience and professional licence, coupled with the studies and research carried out on the industry corresponding to the Golden Ultra Target Group, the Audit Committee is of the view that the valuation was conducted in a professional manner.

The Audit Committee is also of the view that the Golden Ultra Promissory Note charged at an interest of 8% per annum is a fair market rate based on the prevailing interest rate of similar debts offered in Singapore and Hong Kong ranging from 7% to 12%². In addition, the Audit Committee is of the view that the Golden Ultra Group has been operating in the watch retailing business since 2016 and that the Golden Ultra Group has been profitable for five years in a row, with a positive and growing EBITDA. Accordingly, the Group's net loss after the Adjusted Proposed Acquisition would increase to S\$6.06 million after taking into account the interest payable in relation to the Golden Ultra Promissory Note under section 5.5 of the IFA Letter.

The Audit Committee had considered the Board's view on the following factors in relation to the Target are as follows:

- (1) In-depth knowledge and experience of the industry;
- (2) Competent know-how and adequate personnel to support the existing operation and expansion of the business;
- (3) extensive network of existing suppliers, customers, dealers and connections over the last five to six years;
- (4) value of the existing website on www.bestwatch.com.hk, and the search engine optimisation ("SEO") included within;
- (5) the Proposed Acquisition makes economic sense in terms of time and cost savings for the Company to acquire the Target with a profitable track record, especially when new projects and businesses developed by the Company will take time, management resources and significant setup costs. Furthermore, it may not achieve a favourable profitable outcome for the Company. Accordingly, the Proposed Acquisition will expedite the Company's road to profitability; and
- (6) The consideration shall be paid by way of a Promissory Note is not satisfied out of Company's existing capital and cash resources, and hence enables the Company to enter into a sale and purchase contract ("S&P") without straining the cashflow of the Company immediately;

The Audit Committee has also assessed CKLY Trading Limited's the i) enterprise value to trailing twelve months EBITDA ("EV/TTM EBITDA"), ii) trailing twelve months price-earnings ratio ("TTM P/E") and iii) price to book ("P/B") ratios stated in Section 5.3.2 of the IFA Letter and are of the view that in light of the qualitative factors, the Board's view as stated above and the fact that online retail platforms tend to have higher ratios compared to traditional retails operation, the higher than average ratios stated in the IFA letter were reasonable.

² <https://www.ocbc.com/business-banking/articles/business-loans-interest-rates-heres-what-you-must-know>

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With regards to the consideration for the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra at a 44.5% premium to the market value attributable to the Golden Ultra Sale Shares based on the Valuation Report, as the effective ownership in the Target by the Company would be more than 50.01%, it therefore enables the Company to influence the business operations and policies of the Target. Accordingly, the to the control the Company will obtain over Golden Ultra. In addition, the premium of 44.5% to the market value attributable to the Golden Ultra Sale Shares is within the median premium offered of approximately 40% and the average premium of approximately 50% for merger and acquisition transactions transacted between 2011 to 2020³

Based on the foregoing factors, the Audit Committee is of the view that the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra provides an alternative avenue for the Company to grow its businesses. Separately, in view that the consideration at a 44.5% premium to the market value may be attributable to the expected average percentage premium offered to attain controlling ownership of more than 50.01%, the Audit Committee is of the view that the consideration at a 44.5% premium, being at the lower end of the average percentage premium offered of at least 40% would be fair.

Given the recommendation from the Audit Committee, the Board is of the view that (i) the terms and conditions, and (ii) the rationale of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra as set out in section 3.4 of this circular and (iii) the reasons above and notwithstanding the opinion of the IFA as contained in the IFA Letter, it is of the view that the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra, when viewed together with other commercial factors as a whole, is in the interests of the Company and its shareholders as a whole, and accordingly recommends that shareholders vote in favour of the Ordinary Resolution relating to the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra at the EGM.

3.9 Relative Figures computed on the bases set out in Rule 1006 of the Catalyst Rules relating to the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra

3.9.1 The relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules for the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra are as follows:

Rule 1006(a) of the Catalyst Rules	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. ⁽¹⁾	Not Applicable ⁽²⁾
Rule 1006(b) of the Catalyst Rules	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. ⁽³⁾	(97.51)% ⁽⁴⁾
Rule 1006(c) of the Catalyst Rules	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.	96.17% ⁽⁵⁾
Rule 1006(d) of the Catalyst Rules	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable ⁽⁶⁾

³ The information was extracted from a report entitled "Mergerstat Review 2021" published by Business Valuation Resources LLC on its website at https://www.bvresources.com/docs/default-source/book-excerpts/mergerstat_review_2021_excerpt.pdf?sfvrsn=c024c0b2_4, which was accessed on 9 February 2022. Business Valuation Resources LLC has not consented to the inclusion of the above information in this Circular and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA.

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Rule 1006(e) of the Catalist Rules	The aggregate volume or amount proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not Applicable ⁽⁷⁾
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Notes:

- (1) "Net assets" means total assets less total liabilities.
 - (2) The Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is an acquisition of assets not a disposal of assets.
 - (3) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
 - (4) Based on the pro forma combined financial statements of Golden Ultra Group for the six months ended 30 June 2021, the aggregate net profits attributable to the Golden Ultra Sale Shares was approximately HK\$1.5 million (equivalent to approximately S\$0.266 million) which represents approximately (97.51)% of the Group's net loss of approximately S\$0.273 million for the six months ended 30 June 2021.
 - (5) The aggregate maximum value to be received by the Company in connection with the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is approximately HK\$110 million (equivalent to approximately S\$19.2 million) (comprising the Golden Ultra Consideration of HK\$82.5 million (equivalent to approximately S\$14.4 million) and the maximum Golden Ultra Earnout Incentive of HK\$27.5 million (equivalent to approximately S\$4.8 million)) which represents approximately 96.17% of the Company's market capitalisation of approximately S\$20.0 million on 6 October 2021, being the last full market day on which trades were done, being 6 October 2021 prior to the trading halt of the Company's shares on 7 October 2021, preceding the date of the Golden Ultra SPA. The Company's market capitalisation was determined by multiplying the number of shares the Company has in issue ("**Shares**") (1,253,258,714 Golden Ultra Shares) by the weighted average price of such shares transacted on 6 October 2021 (S\$0.0159), prior to the trading halt of the Company's shares on 7 October 2021.
 - (6) No equity securities will be issued by the Company in connection with the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra.
 - (7) The Company is not a mineral, oil and gas company. The Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is an acquisition of assets not a disposal of assets.
 - (8) The number of shares in the Company used in the above computations exclude the increase in the number of shares of the Company subsequent to its entry into the placement agreements with Ms Zheng and IEPL.
- 3.9.2 As one of the relative figures computed on the bases set out in Catalist Rule 1006 exceeds 75% but is less than 100%, the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is classified as a "major transaction" under Chapter 10 of the Catalist Rules.
- 3.9.3 In addition, one of the relative figures computed on the bases set out in Catalist Rule 1006 involves a negative figure. Therefore, Chapter 10 of the Catalist Rules may still be applicable to the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules. As the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra does not fall within all the situations in paragraphs 4.3 and 4.4 of Practice Note 10A of the Catalist Rules, Catalist Rule 1014 shall apply to the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra.
- 3.9.4 Catalist Rule 1014 requires, *inter alia*, that (a) the Company immediately announce the information required in Catalist Rules 1010, 1011, 1012 and 1013, where applicable; and (b) the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra must be made conditional upon approval by shareholders in a general meeting. The required information has been disclosed accordingly in the Company's announcement dated 12 October 2021 and the information required in Catalist Rules 1010, 1011, 1012 and 1013 (where applicable) has been disclosed accordingly in this Circular.

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3.10 Financial Effects of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra

- 3.10.1 The financial effects of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra on the NTA per share and the LPS of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020.
- 3.10.2 For illustrative purpose, the financial effects of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra have been prepared based on, *inter alia*, the following assumptions:
- (a) the financial effects on the NTA per share of the Group are computed assuming that the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra was completed on 31 December 2020;
 - (b) the financial effects on the LPS of the Group are computed assuming that the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra was completed on 1 January 2020;
 - (c) the costs and expenses incurred or to be incurred in connection with the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra shall be disregarded;
 - (d) the aggregate net profits attributable to the Sale Shares was approximately HK\$1.5 million (equivalent to approximately S\$0.3 million) for the six months ended 30 June 2021; and
 - (e) the 8% interest expenses of the Golden Ultra Promissory Notes of approximately S\$1.15 million.
- 3.10.3 There are no profits or losses attributable to the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra.
- 3.10.4 Financial Effects on the NTA per share of the Group

	Before Completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	After completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	After completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra adjusted ⁽¹⁾
NTA as at 31 December 2020 (S\$'000)	9,001	9,001	9,001
Number of Shares in the Company, excluding treasury shares and subsidiary holdings ⁽²⁾	1,566,508,714	1,566,508,714	1,566,508,714
NTA per Share (Singapore cents)	0.57	0.57	0.57

Notes:

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- (1) Assuming that (a) Mr Heilesen has repaid all loans made by the Golden Ultra Group to Mr Heilesen, which in aggregate amount to approximately HK\$8.3 million (equivalent to approximately S\$1.5 million); and (b) Mr Heilesen's associates have repaid all loans made by the Golden Ultra Group to Mr Heilesen's associates, which in aggregate amount to approximately HK\$12.7 million (equivalent to approximately S\$2.2 million); and (c) the Golden Ultra Group has declared dividends to Mr Heilesen, such amount to be determined on completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra which will result in NTA of the Golden Ultra Group to be HK\$0 (equivalent to approximately S\$0).
- (2) Based on the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 1,566,508,714 ordinary shares as at the date of this circular.

3.10.5 Financial Effects on the EPS of the Group

	Before Completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	After completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	After completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra adjusted ⁽¹⁾
Net earnings for the financial year ended 31 December 2020 (S\$'000)	(5,032)	(5,916)	(6,058)
Weighted average number of Shares in the Company, excluding treasury shares and subsidiary holdings ⁽¹⁾	1,566,508,714	1,566,508,714	1,566,508,714
LPS of the Group (Singapore cents)	(0.32)	(0.38)	(0.39)

Notes:

- (1) Based on the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 1,566,508,714 ordinary shares as at the date of this circular.

- 3.10.6 The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group upon completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra. No representation is made as to the actual future results and/or financial position of the Company and/or the Group.

3.11 **Interests of Directors and Substantial Shareholders**

On 18 October 2021, Incredible Holdings Ltd. (Company Registration Number 199906220H), a public company incorporated in Singapore listed on the Catalist Board of the SGX-ST announced a proposed acquisition of 42% of the issued share capital of Golden Ultra.

Mr Heilesen, who is a director and controlling shareholder of the Company, is a director and a controlling shareholder of Incredible. Mr Leung Kwok Kuen Jacob, Mr Leung Yu Tung Stanley and Ms Zhou Jia Lin, who are directors of the Company, are directors of Incredible.

Mr Heilesen believes that the acquisition of Golden Ultra Limited by the Company and Incredible Holdings Limited ("**Incredible**") would bring new stream of revenues and opportunities to these listed companies. Such belief would support the business proposals he submits to each of these listed companies' board of directors for consideration and if any, final approval and adoption. The Company continues to explore potential investment opportunities in order to expand and diversify the Group's business and improve the Group's operating results

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in the foreseeable future. The Company is unable to comment on Incredible as it is not privy to plans on or for Incredible.

Save for Mr Heilesen and as disclosed in this Circular, none of the directors and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra, other than through their respective shareholdings in the Company, if any.

3.12 Service Contracts in connection with the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra

Mr Heilesen is already an Executive Director of the Company and has a service contract with the Company.

Notwithstanding the above, no person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and no service contracts in relation thereto is proposed to be entered into by the Company.

3.13 Confirmation by the Company

The Company confirms that the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra does not contravene any laws and regulations governing the Company and the Constitution of the Company.

4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION OF 85% OF THE ISSUED SHARE CAPITAL OF GADMOBE GROUP AND THE PROPOSED ACQUISITION OF 55% OF THE ISSUED SHARE CAPITAL OF GOLDEN ULTRA

4.1 The financial effects of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra on the NTA per share and the LPS of the Group have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

4.2 For illustrative purpose, the financial effects of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects on the NTA per share of the Group are computed assuming that the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra were completed on 31 December 2020;
- (b) the financial effects on the LPS of the Group are computed assuming that the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra were completed on 1 January 2020; and
- (c) the costs and expenses incurred or to be incurred in connection with the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra shall be disregarded;
- (d) the aggregate net profits attributable to the Sale Shares was approximately HK\$2.6 million (equivalent to approximately S\$0.42 million) for the six months ended 30 June 2021; and
- (e) the aggregate interest expenses of approximately S\$2.35 million for Gadmobee Group Promissory Notes and Golden Ultra Promissory Notes

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4.3 Financial Effects on the NTA per share of the Group

	Before Completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	After completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	After completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra adjusted ⁽¹⁾⁽²⁾
NTA as at 31 December 2020 (S\$'000)	9,001	9,001	9,001
Number of Shares in the Company, excluding treasury shares and subsidiary holdings ⁽³⁾⁽⁴⁾	1,566,508,714	1,566,508,714	1,566,508,714
NTA per Share (Singapore cents)	0.57	0.57	0.57

Notes:

- (1) Assuming that (a) Mr Heilesen has repaid all loans made by the Golden Ultra Group to Mr Heilesen, which in aggregate amount to approximately HK\$8.3 million (equivalent to approximately S\$1.5 million); and (b) Mr Heilesen's associates have repaid all loans made by the Golden Ultra Group to Mr Heilesen's associates, which in aggregate amount to approximately HK\$12.7 million (equivalent to approximately S\$2.2 million); and (c) the Golden Ultra Group has declared dividends to Mr Heilesen, such amount to be determined on completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra which will result in NTA of the Golden Ultra Group to be HK\$0 (equivalent to approximately S\$0).
- (2) Assuming that (a) the Gadmobee Group Vendor has repaid all loans made by the Gadmobee Group Companies to the Gadmobee Group Vendor, which in aggregate amount to approximately HK\$10.6 million (equivalent to approximately S\$1.8 million) as at the date of the Gadmobee Group SPA; and (b) the Gadmobee Group Companies has declared dividends, which in aggregate amount to approximately HK\$9.3 million (equivalent to approximately S\$1.6 million), to the Gadmobee Group Vendor, before completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group.
- (3) Based on the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 1,566,508,714 ordinary shares as at the date of this circular..

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4.4 Financial Effects on the EPS of the Group

	Before Completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	After completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmove Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra	After completion of the the Proposed Acquisition of 85% of the Issued Share Capital of Gadmove Group and Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra adjusted ⁽¹⁾⁽²⁾
Net earnings for the financial year ended 31 December 2020 (S\$'000)	(5,032)	(6,811)	(6,953)
Weighted average number of Shares in the Company, excluding treasury shares and subsidiary holdings ⁽¹⁾⁽³⁾	1,566,508,714	1,566,508,714	1,566,508,714
LPS of the Group (Singapore cents)	(0.32)	(0.43)	(0.44)

Notes:

- (1) Based on the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 1,566,508,714 ordinary shares as at the date of this circular.
- (2) Assuming that (a) the Gadmove Group Vendor has repaid all loans made by the Gadmove Group Companies to the Gadmove Group Vendor, which in aggregate amount to approximately HK\$10.6 million (equivalent to approximately S\$1.8 million) as at the date of the Gadmove Group SPA; and (b) the Gadmove Group Companies has declared dividends, which in aggregate amount to approximately HK\$9.3 million (equivalent to approximately S\$1.6 million), to the Gadmove Group Vendor, before completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmove Group.

4.5 The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group upon completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmove Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra. No representation is made as to the actual future results and/or financial position of the Company and/or the Group.

5. THE PROPOSED CHANGE OF NAME OF THE COMPANY

5.1 Introduction

Pursuant to Section 28(1) of the Companies Act, a company may by special resolution resolve that its name should be changed to another name registrable under the Companies Act.

Accordingly, the Board is seeking Shareholders' approval for the Proposed Change of Name of the Company from "Ntegrator International Ltd." to "Watches.com Limited" as a Special Resolution.

Shareholders should note that a change of name pursuant to the Companies Act shall not affect the identity of the Company or any rights or obligations of the Company.

5.2 Rationale

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The Board is of the view that the Proposed Change of Name will be beneficial to the Company by more accurately reflecting the Group's business activities and strategic direction moving forward into the watch business.

As announced on 19 January 2022, the Company entered into an exclusive non-binding letter of intent till 30 June 2022 with Watchismo LLC, the seller in relation to, *inter alia*, the proposed acquisition of the domain names, intangible assets of the seller, inventories and all traffic associated with the websites hosted at the domain names. Please refer to the announcement titled "*Entry into a Non-Binding Letter of Intent relating to the Acquisition of Watches.com*" announced on 19 January 2022 for details.

The Proposed Change of Name is undertaken in conjunction with the Company's plan to embark on the business diversification into, *inter alia*, the E-Commerce Business and New Watch Business which was approved by the Shareholders at the extraordinary general meeting held on 15 December 2021.

5.3 Application to ACRA for Change of Name

The Company has submitted an application to ACRA for a change of name from "Ntegrator International Ltd." to "Watches.com Limited" which has been approved on 17 January 2022. The name "Watches.com Limited" has been reserved for 120 days until 17 May 2022.

Subject to Shareholders approving the Special Resolution relating to the Proposed Change of Name of the Company at the EGM, the Company will lodge the requisite statutory returns with ACRA to effect the Proposed Change of Name of the Company from "Ntegrator International Ltd." to "Watches.com Limited". Upon the lodgement of the requisite statutory returns with ACRA, the Company shall adopt "Watches.com Limited" as its new name and the name "Watches.com Limited" shall replace all references to "Ntegrator International Ltd." wherever such references appear in the Company's Constitution.

The Company will make an announcement to notify Shareholders when the requisite statutory returns to effect the Proposed Change of Name of the Company from "Ntegrator International Ltd." to "Watches.com Limited" has been lodged with ACRA.

5.4 Share Certificates and Warrant Certificates

Notwithstanding the Proposed Change of Name of the Company from "Ntegrator International Ltd." to "Watches.com Limited", Shareholders should note that the Company will not recall existing share certificates which shall continue to be *prima facie* evidence of legal title to the Shares. Accordingly, no action is required on the part of Shareholders.

Notwithstanding the Proposed Change of Name of the Company from "Ntegrator International Ltd." to "Watches.com Limited", 2021 warrant holders should note that the Company will not recall existing warrant certificates for the 2021 Warrants which shall continue to be evidence of title to the 2021 Warrants. Accordingly, no action is required on the part of 2021 warrant holders.

5.5 Share Incentive Schemes

Subject to Shareholders approving the Special Resolution relating to the Proposed Change of Name of the Company at the EGM, the Company's share incentive scheme, namely the "Ntegrator Employee Share Option Scheme", will be re-named to "Watches.com Employee Share Option Scheme" upon the Company's lodgement of the requisite statutory returns with ACRA to effect the Proposed Change of Name of the Company from "Ntegrator International Ltd." to "Watches.com Limited".

6. CONSENTS

6.1 Independent Valuers

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The Gadmobe Group Independent Valuer and Golden Ultra Independent Valuer have given and have not withdrawn their written consent to the issue of this Circular with the inclusion herein of its name, the Gadmobe Group Valuation Report and Golden Ultra Valuation Report as set out in **Appendix A** and **Appendix B** to this Circular respectively and all references thereto in the form and context which they appear in this Circular.

6.2 IFA

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter as set out in **Appendix C** to this Circular and all references thereto in the form and context which they appear in this Circular.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed interest		Total interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Christian Kwok-Leun Yau Heilesen ⁽²⁾	-	-	171,314,400	10.94	171,314,400	10.94
Leung Kwok Kuen Jacob	-	-	-	-	-	-
Chay Yiowmin	-	-	-	-	-	-
Leung Yu Tung Stanley	-	-	-	-	-	-
Zhou Jia Lin	-	-	-	-	-	-
Tao Yeoh Chi	-	-	-	-	-	-
Han Meng Siew ⁽³⁾	11,390,640	0.73	16,491,000	1.05	27,881,640	1.78
Substantial Shareholders (other than Directors)						
Mission Well Limited	171,314,400	10.94	-	-	171,314,400	10.94
Zheng Ze Li	204,100,000	13.03	-	-	204,100,000	13.03

Notes:

- (1) Based on 1,566,508,714 Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings, as at the Latest Practicable Date.
- (2) Mission Well Limited hold 171,314,400 Shares in the issued and paid-up share capital of the Company. Mr Christian Kwok-Leun Yau Heilesen is deemed to have an interest in the Shares held by Mission Well Limited.
- (3) Mr Han Meng Siew holds 11,390,640 ordinary shares in the Company and is deemed to have an interest in 16,491,000 ordinary shares in the Company held by his spouse, Mdm Goh Siok Kuan.

Save as disclosed in this Circular, none of the Directors and/or the Substantial Shareholders have any interest, direct or indirect, in the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group, the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and the Proposed Change of Name of the Company, other than through their respective shareholdings in the Company, if any.

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8. DIRECTORS' RECOMMENDATION

8.1 The Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group

Having considered, *inter alia*, the rationale and information relating to the Proposed Acquisition of Gadmobee Group as set out in **Section 2.4** of this Circular, the Board is of the opinion that the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group is in the best interests of the Company. Accordingly, the Board recommends that Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group.

8.2 The Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra

Having also considered, *inter alia*, (a) the rationale and information relating to the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra as set out in **Section 3.3**; (b) the statement of the Audit Committee that the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders as set out in **Section 3.8.3** of this Circular; and (c) the opinion of the IFA as set out in **Section 3.8.2**, the Board, excluding Mr Heilesen, is of the opinion that the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra is in the best interests of the Company. Accordingly, the Board, excluding Mr Heilesen, recommends that the Shareholders vote in favour of the Ordinary Resolution 2 relating to the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra.

8.3 The Proposed Change of Name of the Company

Having considered, *inter alia*, the rationale and information relating to the Proposed Change of Name of the Company as set out in **Section 5.2** of this Circular, the Board is of the opinion that the Proposed Change of Name of the Company is in the best interests of the Company. Accordingly, the Board recommends that Shareholders vote in favour of the Special Resolution relating to the Proposed Change of Name of the Company.

9. ABSTENTION FROM VOTING

Pursuant to Rule 921(7) of the Catalist Rules, the circular to shareholders must include a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction. Accordingly, Mr Heilesen and his associates shall not vote on Ordinary Resolution 2 approving the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra. Mr Heilesen and his associates shall also refrain from accepting appointments as proxies unless specific instructions as to voting are given, in accordance with Catalist Rules 919.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group, the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and the Proposed Change of Name of the Company, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

LETTER TO SHAREHOLDERS

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held by way of electronic means on the date and at the time as set out in the Notice of EGM for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolutions relating to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and the Special Resolution relating to the Proposed Change of Name of the Company as set out in the Notice of EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

12.1 Date, Time and Conduct of EGM

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM will be held by way of electronic means on 4 March 2022 at 12.00 p.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolutions relating to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group, the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and the Special Resolution relating to the Proposed Change of Name of the Company.

12.2 Date, Time and Conduct of Virtual Information Session

The comments, queries and/or questions raised by Shareholders will be addressed at the Virtual Information Session in addition to any further comments, queries and/or questions received during the Virtual Information Session which will be held by way of electronic means on 21 February 2022 at 12.00 p.m. The agenda for the Virtual Information Session is to enable Shareholders to raise questions in relation to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group, the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and the Proposed Change of Name of the Company at the Virtual Information Session.

12.3 Notice of EGM, Circular and Proxy Form

Printed copies of the Notice of EGM, this Circular and the Proxy Form will not be sent to Shareholders. Instead, the Notice of EGM, this Circular and the Proxy Form may be accessed at the Company's website at the URL <https://www.ntegrator.com/announcements/>. The Notice of EGM, this Circular and the Proxy Form are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

12.4 Attendance at the EGM

Due to the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe distancing measures in Singapore, **the EGM will be held by way of electronic means and Shareholders will not be able to attend the EGM in person.**

12.5 Participation at the EGM

12.5.1 Alternative arrangements have been made by the Company to allow Shareholders to participate at the EGM via electronic means. Such alternative arrangements include:

- (a) arrangements by which Shareholders may electronically access the EGM proceedings and observe and/or listen to the live audio-visual webcast or live audio-only stream;
- (b) arrangements by which Shareholders may submit comments, queries and/or questions to the chairman of the EGM (the "**Chairman of the Meeting**") in advance of the EGM;

LETTER TO SHAREHOLDERS

- (c) arrangements by which the Board and the management may address substantial and relevant comments, queries and/or questions before the EGM; and
 - (d) arrangements by which Shareholders may appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM.
- 12.5.2 Details of the steps for pre-registration for the live audio-visual webcast or live audio-only stream, submission of comments, queries and/or questions in advance of the EGM and submission of Proxy Forms to appoint the Chairman of the Meeting to attend, speak and vote at the EGM are set out in the **Appendix D** to this Circular.

LETTER TO SHAREHOLDERS

12.6 Key Dates and Times

Key Dates and Times	Actions to be taken by Shareholders
12.00 p.m. on Wednesday, 23 February 2022	Deadline for CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their proxy forms.
12.00 p.m. on Saturday, 19 February 2022	<p>Deadline for Shareholders to submit comments, queries and/or questions in advance of the EGM.</p> <p>The comments, queries and/or questions raised by Shareholders will be addressed at the Virtual Information Session in addition to any further comments, queries and/or questions received during the Virtual Information Session.</p>
12.00 p.m. on Saturday, 19 February 2022	<p>Deadline for Shareholders to pre-register for the Virtual Information Session.</p> <p>The agenda for the Virtual Information Session is to enable Shareholders to raise questions in relation to the Proposed Acquisition of Gadmobee Group, Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and the Proposed Change of Name of the Company at the Virtual Information Session.</p>
12.00 p.m. on Sunday, 20 February 2022	<p>Shareholders, who have pre-registered for the Virtual Information Session and who have been verified by the Company's Share Registrar, KCK Corpserve Pte. Ltd., will receive an email which will contain the user ID and password details as well as the URL to access the Virtual Information Session (the "VIS Confirmation Email").</p> <p>Shareholders who have pre-registered for the Virtual Information Session but who have not received the VIS Confirmation Email by 12.00 p.m. on 20 February 2022, should contact the Company at nil-egm@kckcs.com.sg.</p>
12.00 p.m. on Monday, 21 February 2022	<p>Shareholders may participate at the Virtual Information Session via electronic means by:</p> <p>(a) accessing the URL in the VIS Confirmation Email and entering the user ID and password to access the live audio-visual webcast; or</p> <p>(b) calling the toll-free telephone number to access the live audio-only stream.</p>
12.00 p.m. on Tuesday, 1 March 2022	<p>Deadline for Shareholders to:</p> <p>(c) pre-register for the live audio-visual webcast or live audio-only stream; and</p> <p>(d) submit Proxy Forms to appoint the Chairman of the Meeting to attend, speak and vote at the EGM.</p>

LETTER TO SHAREHOLDERS

Key Dates and Times	Actions to be taken by Shareholders
12.00 p.m. on Thursday, 3 March 2022	<p>Shareholders, who have pre-registered for the live audio-visual webcast or live audio-only stream and who have been verified by the Company's Share Registrar, KCK Corpserve Pte. Ltd., will receive an email which will contain the user ID and password details as well as the URL to access the live audio-visual webcast or the toll-free telephone number to access the live audio-only stream (the "Confirmation Email").</p> <p>Shareholders, who have pre-registered for the live audio-visual webcast or live audio-only stream but who have not received the Confirmation Email by 12.00 p.m. on 3 March 2022, should contact the Company at nil-egm@kckcs.com.sg.</p>
12.00 p.m. on Friday, 4 March 2022	<p>Shareholders may participate at the EGM via electronic means by:</p> <p>(e) accessing the URL in the Confirmation Email and entering the user ID and password to access the live audio-visual webcast; or</p> <p>(f) calling the toll-free telephone number to access the live audio-only stream.</p>

12.7 Important Reminder

Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change the arrangements for the EGM and VIS at short notice. For the latest updates on the arrangements for the EGM, Shareholders should check the Company's website at the URL <https://www.ntegrator.com/announcements/>. Such updates will also be made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

LETTER TO SHAREHOLDERS

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company located at 4 Leng Kee Road #06-04 SIS Building Singapore 159088 during normal business hours for three (3) months from the date of this Circular:

- (e) the Gadmobе Group SPA;
- (f) the Gadmobе Group Valuation Report;
- (g) the letter of consent dated 10 February 2022 from the Gadmobе Group Independent Valuer;
- (h) the Golden Ultra SPA;
- (i) the Golden Ultra Valuation Report;
- (j) the letter of consent dated 10 February 2022 from the Golden Ultra Independent Valuer;
- (k) the letter of consent dated 10 February 2022 from the IFA;
- (l) the Constitution of the Company; and
- (m) the annual report of the Company for FY2020.

Yours faithfully,
For and on behalf of the Board of Directors of
Ntegrator International Ltd.

Chay Yiowmin
Independent Non-Executive Chairman
10 February 2022



Our Ref.: VC/RWA/2021/30878

Date : 11 October 2021

Ntegrator International Limited

Attn.: Board of Directors

Dear Sirs/Madams,

RE: Valuation of 100% equity interest of Gadmobe Group

In accordance with an instruction from Ntegrator International Limited (the “Instructing Party”), we hereby provide a valuation on the market value of 100% equity interest of the following subject companies:

- Sasha Lab Limited;
- Gadmobe Interactive Limited and its subsidiary GZ Youlvyou Info Tech Co. Ltd.;
- COD Centre PTE. Ltd.; and
- Bass of Hala OU.

The above subject companies are collectively referred to as the “Gadmobe Group”. The benchmark date of this valuation is 30 June 2021 (the “Valuation Date”).

We confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of 100% equity interest of Gadmobe Group.

This valuation is prepared in line with the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors (“RICS”) and International Valuation Standards (“IVS”) published by the International Valuation Standards Council.

1 Purpose of Valuation

The purpose of this report is to express an independent opinion on the market value of 100% equity interest of Gadmobe Group as at the Valuation Date. This report outlines our latest findings and valuation conclusion and is prepared solely for Instructing Party’s public circular purpose only.



2 Scope of Work

In conducting this valuation exercise, our scope of work includes:

- Co-ordinated with the representatives of the Instructing Party to obtain the required information and documents for our valuation;
- Gathered the relevant information of Gadmobe Group, including the legal documents, financial statements, etc. made available to us;
- Discussed with the Instructing Party to understand the history, business model, operations, business development plan, etc. of Gadmobe Group for valuation purpose;
- Carried out researches in the sector concerned and collected relevant market data from reliable sources for analysis;
- Investigated into the information of Gadmobe Group made available to us and considered the basis and assumptions of our conclusion of value;
- Designed an appropriate valuation model to analyze the market data and derived the estimated market value of Gadmobe Group; and
- Compiled a report on the valuation, which outlines our findings, valuation methodologies and assumptions, and conclusion of value.

When performing our valuation, all relevant information, documents, and other pertinent data concerning the assets, liabilities and contingent liabilities should be provided to us. We relied on such data, records and documents in arriving at our opinion of values and had no reason to doubt the truth and accuracy of the information provided to us by the Instructing Party, Gadmobe Group and its authorized representatives.

3 Basis of Valuation

Our valuation is based on market value and market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Such definition is in line with the requirements of International Valuation Standards.



4 Overview of Gadmobee Group

The Gadmobee Group consists of four main operating entities, namely Gadmobee Interactive Limited, Sasha Lab Limited, Bass of Hala OU and COD Centre Pte. Ltd. The earliest entity is Gadmobee Interactive Limited, and it was established in 2012.

Over the years, Gadmobee Interactive Limited and Bass of Hala OU has become one of the leading traffic exchanges & advertising platforms. The two companies provide tailor made advertising services to business partners by application of proprietary distribution algorithms, so that target users that are statistically more inclined to consume services are identified. The two companies aim to provide the most diverse advertising solutions with its data driven technologies hence leading the trend of digital advertising.

On the other hand, Sasha Lab Limited engages in online payment services via partnership with mobile network operators, primarily in Southeast Asia region. The company provides online payment solution to customers who do not have access to credit cards.

In December 2019, COD Centre Pte. Ltd. was incorporated in Singapore, the principal activity is value added logistics providers with development of e-commerce applications. The company provides a way for users who do not have a credit or debit card to order products online or until the customer receives and pays.

As at the Valuation Date, the shareholder structure of Gadmobee Group is set out as follows:





5 Valuation Methodology

There are three generally accepted valuation approaches in this valuation. The valuation approaches are sourced from International Valuation Standard 105 – Valuation Approaches and Methods.

5.1 Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

The cost approach should be used as the primary basis for a valuation under the following circumstances:

- market participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a market participant would not be willing to pay a significant premium for the ability to use the subject asset immediately;
- the asset is not income-generating (directly or indirectly) and the unique nature of the asset makes using an income approach or market approach unfeasible; and
- the basis of value being used is fundamentally based on replacement cost, such as reinstatement value.

5.2 Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. When reliable, verifiable and relevant market information is available, the market approach is the preferred valuation approach.

The market approach should be used as the primary basis for a valuation under the following circumstances:

- the asset has recently been sold in a transaction appropriate for consideration under the basis of value;
- the asset or substantially similar assets are actively publicly traded; and
- there are frequent or recent observable transactions in substantially similar assets.



5.3 Income Approach

The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.

The income approach should be used as the primary basis for a valuation under the following circumstances:

- the income-producing ability of the asset is the critical element affecting value from a market participant perspective; and
- reliable projections of the amount and timing of future income are available for the subject asset, but there are few, if any, relevant market comparables.

5.4 Selection of Assessment Methodology

In this valuation, the cost approach is not considered applicable as it fails to capture future earning potential of Gadmobee Group. The market approach is also not adopted as the business of Gadmobee Group is still at an expansion stage and market approach has significant limitation in accurately quantifying the future growth.

After overall consideration, in this valuation we have adopted the income approach as the primary valuation method. We consider the income approach to be appropriate as it captures all future economic benefits of Gadmobee Group via financial projection, and such economic benefits are then discounted back to today by a discount rate that properly reflecting the business risk. Especially, we have adopted the discounted cash-flow method.

Discounted Cash-flow Method

The discounted cash-flow method is premised on the concept that the value is based on the present value of all future benefits that flow to the shareholder by applying an appropriate discount rate. In this case, the future benefits generated by Gadmobee Group mainly consist of the profit earned. In essence, this valuation method requires a forecast to be made of cash-flow, going out far enough into the future until an assumed stabilization occurs for the assets being appraised. This methodology assumes that the forecasted income/ cash-flow will not necessarily be stable in the near term but will stabilize in the future.



6 Discussion of Financial Forecast

Forecast Period

During our course of valuation, we have obtained financial forecasts from the management of the Instructing Party. The forecast period is from 1 April 2021 to 31 March 2025 (i.e., from the Valuation Date to the end of FY2025. For clarification purpose, FY2025 refers to the financial year ended 31 March 2025). The forecast is prepared by applying a respective growth rate to different profit and loss items, namely revenue, cost of sales, SG&A expenses, finance costs, etc. The items and growth rates are discussed in further detail in this section.

Subsequently, we have further constructed the financial forecast into the end of FY2031 (i.e., 31 March 2031), before entering the perpetual growth period. Pursuant to our discussion with the management, Gadmobe Group is expected to stabilize its business scale in 10 years, and starting from FY2032 the management will maintain the business scale and the business growth will be relatively stable in long term. We have consulted the reasonableness of such financial forecast with the management and the result is satisfactory.

As at the Valuation Date, Gadmobe Group primarily engages in two kinds of services, one is digital marketing & advertising services, and the other is online payment platform services. The actual profit and loss of Gadmobe Group from FY2017 to FY2021 is shown as below:

Actual Figure	FY2017	FY2018	FY2019	FY2020	FY2021
Revenue	18,599,316	19,105,730	12,976,626	21,346,024	8,015,327
Cost of sales	13,081,527	12,888,232	8,730,529	11,520,211	3,221,631
Gross profit	5,517,789	6,217,498	4,246,097	9,825,813	4,793,696
<i>Gross margin</i>	<i>29.7%</i>	<i>32.5%</i>	<i>32.7%</i>	<i>46.0%</i>	<i>59.8%</i>
SG&A expenses	4,105,760	4,552,387	5,108,401	6,136,687	3,965,696
Finance costs	699	100,615	180,841	141,221	78,659
Other expenses	1,506	1,535	28,123	267,330	-
Profit before tax	1,926,888	2,262,900	-912,525	3,366,602	795,929

Unit: HKD; Source: Management

For this report, ("FY") refers to the financial year ended or ending 31 March, as the case may be unless otherwise defined.

In this valuation, the projected profit and loss of Gadmobe Group from FY2022 to FY2025 is shown as below:

APPENDIX A – GADMOBE GROUP VALUATION REPORT



Projected Figure	FY2022	FY2023	FY2024	FY2025
Revenue	12,022,991	14,427,589	17,313,107	19,910,073
Cost of sales	4,832,446	5,798,936	6,958,723	8,002,531
Gross profit	7,190,545	8,628,654	10,354,384	11,907,542
<i>Gross margin</i>	<i>59.8%</i>	<i>59.8%</i>	<i>59.8%</i>	<i>59.8%</i>
SG&A expenses	4,084,667	4,207,207	4,333,423	4,463,426
Finance costs	82,591	86,721	91,057	95,610
Other expenses	200,000	200,000	200,000	200,000
Profit before tax	2,823,286	4,134,726	5,729,904	7,148,506

Unit: HKD; Source: Management

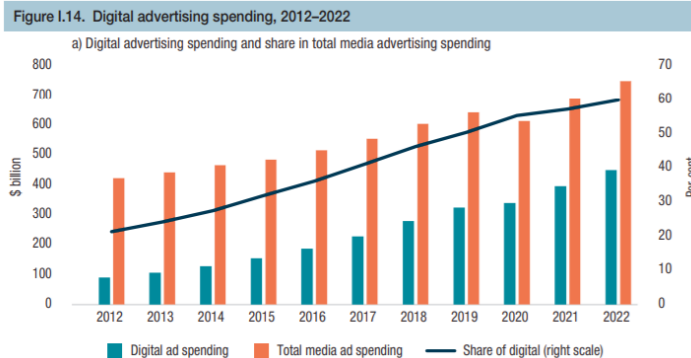
General Comment on Profit and Loss

During the projection period, the revenue is expected to increase from HKD 12.0 million in FY2022 to HKD 19.9 million in FY2025, representing a compound annual growth rate (“CAGR”) of 18.1% per annum.

Based on the financial records of Gadmobee Group, the historical revenue from FY2017 to FY2020 amounted from HKD 12.9 million to HKD 21.3 million, with an average of HKD 18.0 million. In FY2021, as the global Covid-19 pandemic broke out, Gadmobee Group’s business was also negatively affected. We are of the opinion that the decline of Gadmobee Group in FY2021 is unconventional and should be treated as an outlier. It was not considered as a lasting trend in this valuation.

It is expected that from FY2022, Gadmobee Group’s business will rebound considering the following factors:

- Worldwide speaking, with increasing vaccination coverage, countries have accepted the co-existence of Covid-19 and taking measures to stimulate the economy.
- The development of digital economy is expected to be robust. According to Digital Economy Report 2021 issued by UN Conference on Trade and Development, the digital advertising spending has shown a clear increasing trend in last decade, both in amount spent and the percentage of digital advertising in total advertising. We consider such trend and growth to be lasting.



https://unctad.org/system/files/official-document/der2021_en.pdf

APPENDIX A – GADMOBE GROUP VALUATION REPORT



The uncertainty and risk of the relatively higher growth in the projection period is also captured when determining the discount rate by applying an extra 4% firm specific risk premium, which is discussed in Section 7 of this report.

The gross margin is expected to remain stable at 59.8% from FY2022 to FY2025. Such gross margin is consistent with the margin recorded in FY2021, and as Gadmobe Group would focus on existing business, the gross margin is not expected to change significantly in the projection period.

The SG&A expense is expected to increase from HKD 4.1 million in FY2022 to HKD 4.5 million in FY2025, representing a CAGR of 3% per annum. As Gadmobe Group focuses on online services, the SG&A is relatively stable comparing to the growth of revenue and cost of sales.

Income Tax

Based on our discussion with the management, Gadmobe Group is expected to incur minimal tax liability in the projection period, due to the following factors:

- The Hong Kong incorporated entities of Gadmobe Group has successfully applied for offshore profit claim by Inland Revenue Department. Although Gadmobe Group has a few supporting staff in Hong Kong, the target markets of Gadmobe Group are outside Hong Kong and the profit of Gadmobe Group is not sourced from Hong Kong. Thus the Group does not need to pay Hong Kong profits tax.
- The Guangzhou incorporated entity, GZ Youlvyou Info Tech Co. Ltd., serves the purpose of cost centre and does not generate revenue. The entity is not expected to pay PRC profits tax in the foreseeable future.
- Bass of Hala OU is incorporated in Estonia, where only taxes on capital gain or distributed profits. Investors only pays tax upon sales of their shares, which is not relevant to the value of the business itself.

Investment Expenditure

As at the Valuation Date, the total property, plant and equipment owned by Gadmobe Group amounted to only approximately HKD 472k. Considering that Gadmobe Group focuses on digital marketing & advertising services as well as online payment platform services, the requirement for fixed assets investment is not significant. Thus after discussion with the management, no investment expenditure plan is incorporated in the projection.

Finance Expenditure

The finance expense is expected to increase from HKD 82.6k in FY2022 to HKD 95.6k in FY2025, representing a CAGR of 3% per annum. As the Gadmobe Group focuses on light asset business and there is no need for extra financing in the projection period, the finance expense is relatively stable comparing to the growth of revenue and cost of sales.



Perpetual Growth

During FY2026 to FY2031, the Gadmobee Group is projected to enter a transition stage where the growth gradually decreases to converge with the perpetual growth rate. In FY2026 the growth is expected to be 15%, from FY2027 to FY2029 the growth is expected to be 10% and from FY2030 to FY2031 the growth is expected to be 5%.

Since the equity interest of the Gadmobee Group is assessed based on an on-going concern, we determined the terminal value of the Gadmobee Group by the perpetual growth method. The perpetual growth rate is estimated at 3%, which is in line with the general long-term inflation rate (world inflation rate according to International Monetary Fund). The perpetual growth year begins in FY2031.



7 Determining the Discount Rate

WACC as Discount Rate

We adopted the weight average cost of capital (the “WACC”) as the benchmark discount rate of the Gadmobee Group. WACC comprises two components: cost of equity and cost of debt. Cost of equity was developed using Capital Asset Pricing Model (the “CAPM”). The CAPM states that an investor requires excess returns to compensate systematic risks and an efficient market provides no excess return for other risks. Cost of debt was developed with reference to the benchmark borrowing rate.

Selection of Comparable Companies

Therefore, we focus on identifying listed companies who are engaged in the business of the Gadmobee Group. As a result, a set of potential comparable companies with business exposure in relation to digital marketing and advertising was comprised. Then, more comprehensive research have been carried out to confine the selection of comparable companies.

The comparable public companies are selected with mainly reference to the following selection criteria:

- Primarily be engaged in digital marketing and advertising industry;
- The principal operation (programming, product development) is in mainland China and/or Hong Kong, while the target market can be diversified and includes overseas markets; and
- Information on the comparable companies must be extracted from a reliable source.

Based on the aforementioned selection criteria and the search from the FactSet Database (a financial data provider developed by FactSet Research Systems Inc., a global industry leader in acquiring, integrating and managing core financial data), the following comparable companies are exhaustive, fair and representative to be adopted in the valuation, with the following information as at the Valuation Date:

Ticker	Company Name
205-HK	SEEC Media Group Limited
8121-HK	Guru Online (Holdings) Limited
600556-CN	InMyShow Digital Technology (Group) Co., Ltd. Class A
1163-HK	Adtiger Corporations Limited
6988-HK	Joy Spreader Group Inc.
1351-HK	Bright Future Technology Holdings Limited

Source: FactSet



Description of Comparable Companies

SEEC Media Group Ltd. is an investment holding company, which engages in the provision of advertising agency services and distribution of books and magazines. The firm operates through the following segments: Provision of Advertising Services; Sales of Books and Magazines; Provision of Securities Broking Services; Provision of E-commerce Platform Services and Sales of Related Goods, and Money Lending. The company was founded in 1989 and is headquartered in Hong Kong.

Modern Media Holdings Ltd. operates as a media and advertising company. It operates through the following segments: Print Media & Art, and Digital Media & Television. The Print Media & Art segment includes the sale of advertising space in the publication and distribution of magazines and periodicals; artwork trading and auction; and art exhibition and education. The Digital Media & Television segment publishes multiple digital media products, sells advertising spaces, and produces customized contents for brand advertisers. The company was founded by Zhong Shao on March 8, 2007 and is headquartered in Hong Kong.

Guru Online (Holdings) Ltd. is an investment company, which engages in the provision of digital marketing services. It operates through the following segments: Digital Advertisement Placement Services, Social Media Management Services, and Creative and Technology Services. The company was founded by Shek Lun Yip, Chi Fung Ng, Wai Ting Wan, and Lai Man Wang in 2007 and is headquartered in Hong Kong.

Inmyshow Digital Technology (Group) Co., Ltd. engages in new media marketing driven by big data technology. The company was founded on November 28, 1993 and is headquartered in Beihai, China.

Adtiger Corp. Ltd. operates as an investment holding company. Through its subsidiaries, it engages in the provision of online advertising services. It offers an online advertising platform that connects advertisers with media publishers, either directly or indirectly through resellers designated by media publishers. Adtiger was founded by Su Fang Chang and Wei Yang in 2015 and is headquartered in Beijing, China.

Joy Spreader Group, Inc. operates as an investment holding company with interests in providing digital marketing services. The firm offers performance based marketing services to marketers by analyzing and distributing their products on a quality and diverse media network, which helps marketers acquire users. It also offer monetization services to media publishers to monetize their user follower network traffic. The company was founded by Zinan Zhu in October 2008 and is headquartered in Beijing, China.

Bright Future Technology Holdings Ltd. engages in mobile advertising services. It offers mobile native advertising and mobile performance-based advertising services. The company was founded on November 8, 2018 and is headquartered in Shenzhen, China.

APPENDIX A – GADMOBE GROUP VALUATION REPORT



WACC Calculation

Detailed WACC calculation for the Gadmobee Group is shown as below table:

Component	30 June 2021	Notes
Debt to equity ratio	14.0%	1
Risk free rate	3.19%	2
Equity risk premium	5.40%	3
Leveraged beta	0.22	4
Size premium	3.58%	5
Firm specific premium	4.00%	6
Cost of equity	11.97%	
Pre-tax cost of debt	4.90%	7
Effective tax rate	0%	8
After tax Cost of debt	4.90%	
Adopted WACC	11.10%	

Notes to the WACC parameters are as follows:

1. The debt-to-equity ratio is derived from a set of market comparable companies, sourced from FactSet Database.
2. The risk-free rates are determined with reference to the China 10-Year sovereign bond yield, sourced from FactSet Database.
3. The equity risk premium is the China Equity Risk Premium, sourced from Damodaran Database.
4. Leveraged beta is derived from a set of comparable companies, based on three-year beta, sourced from FactSet Database.
5. Size premium is added to reflect the effect of firm size on return, sourced from Dulf & Phelps Valuation Yearbook.
6. Firm specific premium is designed to account for additional risk factors specific to the Gadmobee Group, including but not limited to future business expansion risk, uncertainty in conducting business with new customer, market risk, etc.
7. The pre-tax cost of debt is determined with reference to the prime lending rate in China, sourced from Bank of China.
8. Corporate tax rate applicable to the Company, as advised by the management.



8 Other Parameters and Adjustments

Lack of Marketability Discount

We have adopted a lack of marketability discount of 15.8% in the valuation of 100% equity interest of Gadmobe Group to compensate for the potential difficulty of selling the share of private company, which are not traded on a stock exchange, compared with those of the peer companies that are traded publicly in stock exchange markets.

The 15.8% discount is sourced from 2020 edition of the Stout Restricted Stock Study Companion Guide, the latest applicable edition consisting of 759 restricted stock transactions with distinct transaction and company characteristics. The study represents the most widely used and accepted database available to valuers for lack of marketability discount determination. Based on the study, the overall median discount for lack of marketability as observed in the Stout Study based on data from 1980 through December 2019 is 15.8%, concluded by dividing the difference between the private placement price and the market reference price by the market reference price.

9 Result Analysis

The detailed calculation is shown in table below:

Subject	Amount
Total enterprise value	87,000,000
Add: Excess cash	-
Add: Amount due from sole director	7,104,000
Less: Interest-bearing debt	(13,350,000)
100% Equity value (rounded)	80,750,000

Currency: HKD



10 Premise of Valuation and Basis of Valuation

10.1 Source of Information

Our investigation covers the discussion with Gadmobee Group and Instructing Party's representatives, the collection of information including the details of Gadmobee Group.

We assume that the data obtained in the course of the valuation, along with the opinions and representations provided to us by Instructing Party were prepared in reasonably care.

We have had no reason to doubt the truth and accuracy of the information provided to us by Instructing Party. We have also sought confirmation from Instructing Party that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

10.2 Factors Considered

The factors considered in this valuation included, but were not limited to, the following:

- The demand and supply of property management industry in the region;
- Operation and financial risks of Gadmobee Group;
- Environmental policies set by the government that pertains to Gadmobee Group;
- Average operational parameters of comparable companies in the region;
- Operation experience of the management of Gadmobee Group; and
- The economic conditions of China.



11 Disclaimer and Limitation

Our findings or conclusion of value of the subject in this report are valid only for the stated purpose and at the Valuation Date, and for the sole use of the Instructing Party.

Our liability for loss or damage shall be limited to such sum as we ought reasonably to pay having regard to our responsibility for the same on the basis that all other consultants and specialists, where appointed, shall be deemed to have provided to the Instructing Party contractual undertakings in respect of their services and shall be deemed to have paid to the Instructing Party such contribution as may be appropriate having regard to the extent of their responsibility for such loss or damage.

Our liability for any loss or damage arising out of the action or proceedings aforesaid shall, notwithstanding the preceding provisions, in any event be limited to a sum not exceeding three (3) times of the amount of our agreed fee(s) for this engagement. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, loss of profits, opportunity cost, etc.), even if it has been advised of their possible existence. For the avoidance of doubt our liability shall never exceed the lower of the sum calculated in accordance with the preceding provisions and the sum provided for in this clause.

The Instructing Party is required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our engagement except to the extent that any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence, misconduct, willful default or fraud of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

Any decision to purchase, sell or transfer any interest in the valuation subjects shall be the owners' sole responsibility, as well as the structure to be utilized and the price to be accepted. The selection of the price to be accepted requires consideration of factors beyond the information we will provide or have provided. An actual transaction involving the subject business might be concluded at a higher value or at a lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivations of the buyers and sellers at that time.



12 Conclusion

The conclusion of value is based on the accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

While the assumptions and consideration of such matters are considered to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Instructing Party and/or CHFT Advisory and Appraisal Ltd (the "CHFT").

Based on the valuation methodology adopted, we are of the opinion that:

The market value of 100% equity interest of Gadmobee Group, as at 30 June 2021, was in the sum of **HK\$ 80,750,000 (HONG KONG DOLLARS EIGHTY MILLION SEVENTY HUNDRED FIFTY THOUSAND)**.

We hereby certify that we have neither present nor prospective interests in the Instructing Party or the value reported.

Yours faithfully,
For and on behalf of
CHFT Advisory and Appraisal Ltd.

Wang Xinhao, Ross, CFA
Director

APPENDIX B – GOLDEN ULTRA LIMITED VALUATION REPORT

Our Ref : VC/JLI/30909/2021

Date : 11 October 2021

Negrator International Limited

4 Leng Kee Road
#06-04 SIS Building
Singapore 159088

Attn.: Board of Directors

Dear Sirs/Madams,

RE: Valuation of 100% Equity Interest of CKLY Trading Limited

In accordance with an instruction from Negrator International Limited (the “Instructing Party”), We hereby provide a valuation on the market value basis of 100% equity interest of CKLY Trading Limited (the “Target Company”) as at 30 June 2021 (the “Valuation Date”).

We confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of 100% equity interest of Target Company.

This valuation is complied with the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors (“RICS”) and International Valuation Standards (“IVS”) published by the International Valuation Standards Council.

1 Purpose of Valuation

The purpose of this report is to express an independent opinion on the market value of 100% equity interest of Target Company as at Valuation Date. This report outlines our latest findings and valuation conclusion and is prepared solely for public circular purpose only.

2 Scope of Work

In conducting this valuation exercise, our scope of work includes:

- Co-ordinated with the representatives of Instructing Party to obtain the required information and documents for our valuation;
- Gathered the relevant information of Instructing Party, including the purchase contract, legal certificates, financial statements, the mineral resource estimate report, etc. made available to us;
- Discussed with Instructing Party to understand the history, business model, operations, business development plan, etc. of Target Company for valuation purpose;
- Carried out researches in the sector concerned and collected relevant market data from reliable sources for analysis;
- Investigated into the information of Target Company made available to us and considered the basis and assumptions of our conclusion of value;
- Designed an appropriate valuation model to analyze the market data and derived the estimated market value of Target Company; and
- Compiled a report on the valuation, which outlines our findings, valuation methodologies and assumptions, and conclusion of value.

When performing our valuation, all relevant information, documents, and other pertinent data concerning the assets, liabilities and contingent liabilities should be provided to us. We relied on such data, records and documents in arriving at our opinion of values and had no reason to doubt the truth and accuracy of the information provided to us by Instructing Party, Target Company and its authorized representatives.

3 Overview of Target Company

The Target Company was incorporated in 2015 as a private company limited by shares registered in Hong Kong. The address of its registered office and principal place of business are Unit C, Floor 1, No. 96 Ma Tau Wai Road, Hung Hom, Hong Kong. CKLY Trading Limited is principally in the business of trading of watches through the online platform known as www.bestwatch.com.hk, which provides various luxury watch brands for customers in Hong Kong and other countries.

4 Watch Industry Overview

As investigated by Mckinsey & Company, the ultra-luxury watches with fine jewellery and premium are an important part of the global luxury economy, with combined annual sales of more than USD330 billion. Due to the impact of COVID-19 pandemic in 2020, the watches industries suffered the decrease in revenue of 25% to 30%. With the recovery of the overall economy in 2021, the watches industries will be expected to rebound from the COVID-19 pandemic, with the annual growth rate of 1% to 3% between now and 2025.

Asia, as the biggest regional market accounting for 50% for watches, is leading the sales to expand further. As predicted by Mckinsey & Company, the watch sales in Asia will grow up to 4% per year in the next five years, and be expected to reach USD27 to USD30 billion. For the consumer preference, the luxury watches share will account for 64% in the overall market. Besides, the distribution channel is also expected to change with the development of digital platform. The online share of the watches market will increase from 5% to 12% in 2025.

China has also shown strong purchasing power in luxury watches in recent years. As researched by Guolian Securities Co.,Ltd., the combined import value of mainland China and Hong Kong has accounted for 21% in 2019. Due to the impact of COVID-19, mainland China has become the world's largest single importer of Swiss watches, with the significant increase of share from 7% a decade ago to 14% in 2020. Meanwhile the demand from young customers for luxury watches has also been increasing. As researched by i-research, the group aged from 26 to 35 years old takes the largest proportion of the customers planning to purchase luxury watches in mainland China.

As researched by Guolian Securities Co., Ltd., the following market development features are observed in China market.

- Large volume market size

The consumption of luxury watches has experienced a significant increase with the compound annual growth rate (the "CAGR") of around 20% from 2017 to 2019. The growing per-capita disposable income of urban residents and the increasing number of high-net-worth individuals have driven strong demand for accessories in China.

- High concentration of market share on top brands

Currently, the increase of overall luxury watches industry is mainly driven by top brands. With the forcing competition in luxury watches, the concentration of market share will continuously be improved. Therefore, obtaining the best selling watches is one of key advantages for the retailers and distributors.

5 Valuation Methodology

There are three generally accepted valuation approaches in this valuation. The valuation approaches are sourced from International Valuation Standard 105 – Valuation Approaches and Methods.

5.1 Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

The cost approach should be used as the primary basis for a valuation under the following circumstances:

- market participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a market participant would not be willing to pay a significant premium for the ability to use the subject asset immediately;
- the asset is not income-generating (directly or indirectly) and the unique nature of the asset makes using an income approach or market approach unfeasible, and
- the basis of value being used is fundamentally based on replacement cost, such as reinstatement value.

5.2 Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. When reliable, verifiable and relevant market information is available, the market approach is the preferred valuation approach.

The market approach should be used as the primary basis for a valuation under the following circumstances:

- the asset has recently been sold in a transaction appropriate for consideration under the basis of value;
- the asset or substantially similar assets are actively publicly traded; and
- there are frequent or recent observable transactions in substantially similar assets.

5.3 Income Approach

The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.

The income approach should be used as the primary basis for a valuation under the following circumstances:

- the income-producing ability of the asset is the critical element affecting value from a market participant perspective; and
- reliable projections of the amount and timing of future income are available for the subject asset, but there are few, if any, relevant market comparables.

5.4 Selection of Assessment Methodology

We considered that the market approach was not applicable for the valuation. As the Target Company is engaged in the online luxury watch trading, which is a special niche market, there is no sufficient comparable companies observed in the market. Accordingly, the market approach was not adopted.

We also considered that the cost approach was not an appropriate approach for the valuation. As this approach does not take the economic profits contributed by the intangible asset, such as online platform and customer relationship, of the Target Company.

Thus, we determined that the income approach was the most appropriate valuation approach to value 100% equity interest of Target Company, as it takes the future revenue that can be obtained by taking the intangible asset into consideration. Discounted cash-flow method was used in this case of valuation.

Discounted Cash-flow Method (the "DCF Method")

The discounted cash-flow method is premised on the concept that the value is based on the present value of all future benefits that flow to the shareholder by applying an appropriate discount rate. These future benefits consist of current income distributions, appreciation in the asset, or a combination of both. In essence, this valuation method requires a forecast to be made of cash-flow, going out far enough into the future until an assumed stabilization occurs for the business being appraised. This methodology assumes that the forecasted income/ cash-flow will not necessarily be stable in the near term but will stabilize in the future.

APPENDIX B – GOLDEN ULTRA LIMITED VALUATION REPORT

6 Balance Sheet of Target Company as at Valuation Date

In this valuation, we have obtained the financial statement of Target Company as at 30 June 2021. The detailed financial information is set out as table below.

Items	30 June 2021
Cash and bank balances	42,318,941
Inventories	12,963,757
Trade receivables	10,708,208
Amount due from a director	15,144,644
Amount due from related companies	23,116,974
Deposits and prepayments	42,331,478
Total Current Assets	146,584,002
Property and Equipment	191,780
Total Assets	146,775,782
Accruals and other payables	1,757,918
Income tax payable	90,649
Total Current Liabilities	1,848,567
Bank Borrowings	133,624,828
Total Liabilities	135,473,395
Share capital	10,000
Retained earnings	8,514,116
Net Income	2,778,271
Total Equity	11,302,387

Currency: HKD; Source: Instructing Party

APPENDIX B – GOLDEN ULTRA LIMITED VALUATION REPORT

7 Discussion of Financial Forecast

Forecast Period

During our course of valuation, we have obtained financial projections from the management of Instructing Party. The forecast period is from 1 July 2021 to 31 December 2025 ("Forecast Period"). The forecast of profit and loss is shown as table below.

Year	2021*	2022	2023	2024	2025
Revenue	257,419	716,667	995,523	1,274,269	1,478,152
COGS	246,318	690,296	958,890	1,227,380	1,423,760
Operating Expenses	4,167	7,658	8,186	8,752	9,358
Depreciation	22	56	68	80	92
Financial Cost	1,474	3,737	3,924	4,120	4,326
Profit before Tax	5,438	14,920	24,455	33,937	40,616

Currency: HKD'000

Note: 2021 represents 1 July 2021 to 31 December 2021

Revenue Projection

The revenue projection of Target Company within the Forecast Period is set out as table below.

Year	2021*	2022	2023	2024	2025
Revenue	257,419	716,667	995,523	1,274,269	1,478,152

Currency: HKD'000

Note: 2021 represents 1 July 2021 to 31 December 2021

Per our discussion with the management of the Target Company, the annual projected revenue comes from the online sales of various luxury watches. As advised by the Target Company, the CAGR of revenue is assumed to be 38% from 2021 to 2023, and 16% from 2024 to 2025. The revenue projection was mainly forecasted with consideration following aspects:

- Historical revenue growth of the Target Company

According to the last three-year audited financial statements, the Target Company has experienced a significant increase in revenue with a GACR of 23% between 2017 to 2020. In the first half of 2021, the sales has already reached 70% of the year-round sales in 2020. Considering the recovery of overall economy in next few years, the management are of opinion that the performance of annual sales will be better than historical performance.

APPENDIX B – GOLDEN ULTRA LIMITED VALUATION REPORT

- Impact of COVID-19 on online sales

With the restriction of traveling during COVID-19, there is a growing tendency for customers to purchase the goods they want by the online platform. In China, there is around 56% of consumers prefer to choose digital channel to collect the information related to luxury watches. As predicted by Mckinsey & Company, the global online share of the watches market will increase from 5% to 12% in 2025. Therefore, the increasing demand in online luxury watches markets will be expected to boost the sales of the Target Company.

- Future business development plan

Per our communication with the management of the Target Company, the Target Company is mainly focused on Hong Kong market at present. In the future, the Target Company has planned to expand luxury watches online markets in mainland China, East Asia and Europe. With the expansion of the target market, the Target Company will be expected to achieve higher revenue growth in the future years, and then enter into a stable development stage.

Therefore, once the Target Company realizes the expansion of the overseas market, the revenue is expected to experience a significant high growth. After taking above aspects into consideration, the management predicted that the annual revenue growth rate in the first two years will increase to around 38%, and then decrease to a stable level gradually.

COGS Projection

The cost of goods sold (the “COGS”) projection of Target Company within the Forecast Period is set out as table below.

Year	2021*	2022	2023	2024	2025
COGS	246,318	690,296	958,890	1,227,380	1,423,760

Currency: HKD'000

Note: 2021 represents 1 July 2021 to 31 December 2021

The COGS is mainly caused by purchasing luxury watches from suppliers. As suggested by the management, the Target Company has set the target level of the gross margin to determine whether the deal is acceptable. Based on the historical financial data, the gross margin from 2017 to 2020 has continuously increased from 2.66% to 3.68%. Considering that the Target Company has established a relatively mature business model and brand in the luxury watches trading market, the management are of opinion that the gross margin will be consistent in the future years, and the COGS will increase as the same growth rate of revenue.

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Operating Expenses Projection

The operating expenses projection of Target Company within the Forecast Period is set out as table below.

Year	2021*	2022	2023	2024	2025
Operating Expenses	4,167	7,658	8,186	8,752	9,358

Currency: HKD'000

Note: 2021 represents 1 July 2021 to 31 December 2021

Based on our discussion with the management, the operating expenses mainly consist of administrative staffs' salary, consulting fee and other general administrative expense. As advised by the management, the business operation of the Target Company mainly relies on the online platform. Comparing traditional offline business, online platform business has the advantage that there is no strong demand in recruiting a large number of sales staff with the expansion of the business. Accordingly, the operating expenses will be expected to experience a stable and slower growth than revenue growth in the future years. It is projected that the operating expenses will grow at 7% each year from FY2021 to FY2025, which has considered the inflation rate.

Income Tax

According to relevant tax law, 16.5% corporate tax rate is applied.

Perpetual Growth Rate

Since the Target Company is assumed to operate on an on going basis, we determined the terminal value of the Target Company by the perpetual growth method. Per our discussions with the management, the perpetual growth rate is estimated at 3%. This growth rate is based on the projection of long term global GDP growth rate. The perpetual growth rate begins in 2026.

Capital Expenditure Projection

The capital expenditure measures the amount of cashflow to be invested spent by Target Company. The capital expenditure projection of Target Company within the Forecast Period is set out as table below.

Year	2021*	2022	2023	2024	2025
Capital Expenditure	30	60	60	60	60

Currency: HKD'000

Note: 2021 represents 1 July 2021 to 31 December 2021

Based on the investment plan of the management, Target Company plans to spend HKD60,000 annually in purchasing office equipment and other necessary suppliers in the next few years. We have also calculated the depreciation expenses based on such capital expenditure and the existing fixed assets. The estimated useful life of the fixed assets is 5 years.

APPENDIX B – GOLDEN ULTRA LIMITED VALUATION REPORT

Working Capital Projection

Required net working capital of Target Company mainly includes inventory, receivable, prepayment, accruals and income taxable.

- **Inventory**
Inventory is projected with reference to the days outstanding. For the Target Company, the days of inventory outstanding is estimated to be around 11 days.
- **Receivable**
Receivable is projected with reference to the days outstanding. For the Target Company, the days of receivable outstanding is estimated to be around 10 days.
- **Prepayment**
Prepayment is projected with reference to Target Company's prepayment arrangement. For the Target Company, the prepayment is the fee prepaid by the Target Company to the suppliers to maintain the relationship for future cooperation. As advised by the management, the amount of the prepayment to suppliers is determined by the cooperation relationship between the Target Company and suppliers. Normally, for the long-term partners, the amount of the prepayment will be smaller than short-term or new partners. Based on the internal capital management schedule, the prepayment will be within the range from HKD30 to 40 million approximately.
- **Accruals**
Accruals are projected with reference to proportion of accruals to COGS. For the Target Company, the proportion of accruals to COGS is 0.4%.
- **Income Taxable**
Income taxable are projected with reference to proportion of income taxable to COGS. For the Target Company, the proportion of income taxable to COGS is 0.2%.

Financing Cost Projection

Considering the nature of business, the Target Company will finance debt from banks to maintain the operation. The financing cost will be forecasted to increase with annual growth rate of 5%, which has considered the loan interest rate.

APPENDIX B – GOLDEN ULTRA LIMITED VALUATION REPORT

8 Valuation of Business - Discount Rate

In this valuation, the free cash flow to equity is adopted. Therefore, we adopted the cost of equity (the “Discount Rate”) as the benchmark discount rate in valuing the business of Target Company. Cost of equity was developed using Capital Asset Pricing Model (the “CAPM”). The CAPM states that an investor requires excess returns to compensate systematic risks and an efficient market provides no excess return for other risks.

Our determined Discount Rate for the Target Company business is **13%**.

Comparable Companies

We have selected a group of comparable companies listed in Hong Kong to provide a reasonable reference to evaluate the industry’s beta and capital structure used. Our selection criteria are that the comparable companies should:

- Primarily engaged in the industry related to watches distribution;
- Should be listed in Hong Kong; and
- Contain Relevant Information that is both available and publicly disclosed.

We screened the potential comparable companies from FactSet (a financial data provider developed by FactSet Research Systems Inc., a global industry leader in acquiring, integrating and managing core financial data), and reviewed their financial data and business description to figure their suitability. As we have conducted an exhaustive search for all companies that meet the criteria set out above, we believe that the adopted comparable companies are representative, fair and reasonable comparisons to Target Company. Their detailed information of comparable companies are set out as below.

Ticker	Company name	Debt to Equity	Unleveraged Beta
104-HK	Asia Commercial Holdings Limited	0.63	0.63
398-HK	Oriental Watch Holdings Limited	0.19	0.56
887-HK	Emperor Watch & Jewellery Limited	0.23	0.73
1470-HK	Prosper One International Holdings Company Limited	0.63	0.95
2033-HK	Time Watch Investments Ltd.	0.01	0.48
Mean		0.34	0.67

APPENDIX B – GOLDEN ULTRA LIMITED VALUATION REPORT

Description of Comparable Companies

- Asia Commercial Holdings Ltd. is an investment company. The firm engages in watch trading and luxury products retailing. It operates through the Sale of Watches and Properties Leasing segments. The company was founded by Yin Eav in 1989 and is headquartered in Hong Kong.
- Oriental Watch Holdings Ltd. is an investment company, which engages in trading of watches. It operates through the Hong Kong; and Taiwan, Macau, and China geographical segments. It manages retail shops for brands such as Rolex, Tudor, Piaget, Vacheron Constantin, Audemars Piguet, IWC, Jaeger-LeCoultre, Girard Perregaux, Longines, and Omega. The company was founded by Ming Biu Yeung in 1961 and is headquartered in Hong Kong.
- Emperor Watch & Jewellery Ltd. is a Hong Kong-based investment holding company that engages in the sales of watches and jewelries. It operates through two segments: Watch and Jewelry. The Watch segment is engaged in the sales of wristwatches under European brands. Its wristwatch brands include Cartier, Omega and Rolex, among others. The Jewelry segment is engaged in the design and sales of jewelry products under its own brand, Emperor Jewellery. Its products under the brand Emperor Jewellery include rings, necklaces, bracelets, earrings, decorates and brooches made in crystal, diamond and gold, among others. Emperor Watch & Jewellery was founded by Shing Yeung in 1942 and is headquartered in Hong Kong.
- Prosper One International Holdings Co. Ltd. is an investment holding company engages in the retail and wholesale of watches. It operates through the following segments: Retail, Wholesale, and Trading. The Retail segment focuses on the retail of multi brands of watches. The Wholesale segment includes the wholesale of multi brands of watches. The Trading segment is involved in the trading of fertilizers, fertilizers raw materials, and public consumption products. The company was founded by Man Wah Lam and Ka Yee Chan on June 23, 2014 and is headquartered in Hong Kong.
- Time Watch Investments Ltd. is a holding company, which engages in the design, manufacture, development, assembling, marketing, and sale of watches. It operates through the following business segments: Tian Wang Watch; Balco Watch; Watch Movements Trading; and Other Brands (PRC). The Tian Wang Watch business segment manufactures and trades its own branded and retailing business of watches. The Balco Watch business segment comprises of the trade and retail of watched under the Balco brand. The Movements Trading business segment deals with wholesale of watch movements. The Other Brands (PRC) business segment refers to retail business of imported watches. The company was founded by Koon Ming Tung in 1988 and is headquartered in Hong Kong.

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Discount Rate Calculation

Discount Rate calculation for Target is shown as table below.

Component	Target	Notes	Formula
Debt to equity ratio	34%	1	a
Unleveraged beta	0.67	2	b
Risk free rate	1.40%	3	c
Equity risk premium	5.31%	4	d
Pre-tax cost of debt	5.00%	5	e
Effective tax rate	16.50%		f
Leveraged beta	0.86	6	g
Size premium	3.21%	7	h
Company specific premium	3.00%	8	i
Cost of equity (adopted)	13.00%		$j=c+d*g+h+i$

Notes to the Discount Rate parameters are as follows:

1. The debt to equity ratio is derived from the comparable companies.
2. Unleveraged beta is derived from the comparable companies
3. The risk-free rate is determined with reference to the Hong Kong 10-Year sovereign bond yield, sourced from FactSet.
4. The equity risk premium is the Hong Kong Equity Risk Premium, sourced from Aswath Damodaran.
5. The pre-tax cost of debt is in line with Hong Kong best lending interest rate.
6. Leveraged beta is derived from leveraging comparable companies' unleveraged beta
7. Size premium is added to reflect the effect of firm size on return, sourced from Duff & Phelps 2020 Valuation Handbook.
8. Company specific premium is designed to account for additional risk factors specific to Company, including but not limited to governmental credit, market demand, etc. We think that 3% company specific premium included in the calculation of Discount Rate is suitable.

9 Discussion on Lack of Marketability Discount

The lack of marketability discount (the “DLOM”) refers to the amount or percentage deducted from the value of the private equity interest to reflect the absence of marketability compared to the companies that are traded publicly in stock exchange markets. In this valuation, the valuation subject is 100% of equity interest of the Target Company, which represents that the equity owner controls the Target Company under this shareholding. For a rational controlling shareholder, the controlling equity of public company will not be transacted for liquidity needs through stock exchange markets at the cost of giving up the control premium, and the transaction of controlling equity of public company is subject to a number of restrictions based on the related transaction rules, so there will be no significant difference for the values of controlling equity between public company and private company. Therefore, we are of opinion that the DLOM is not considered in this valuation.

10 Premise of Valuation and Basis of Valuation

Our valuation is based on market value basis and market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

10.1 Source of Information

Our investigation covers the discussion with Target Company and Instructing Party’s representatives, the collection of information including the details of Target Company.

We assume that the data obtained in the course of the valuation, along with the opinions and representations provided to us by Instructing Party were prepared in reasonably care.

We have had no reason to doubt the truth and accuracy of the information provided to us by Instructing Party. We have also sought confirmation from Instructing Party that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

10.2 Factors Considered

The factors considered in this valuation included, but were not limited to, the following:

- The demand and supply of luxury watch industry in the region;
- Operation and financial risks of Target Company;
- Environmental policies set by the government that pertains to Target Company;
- Average operational parameters of comparable companies in the region;
- Operation experience of the management of Target Company; and
- The economic conditions of mainland China and Hong Kong.

11 Disclaimer and Limitation

Our findings or conclusion of values of the subject in this report are valid only for the stated purpose and at the Valuation Date, and for the sole use of the Instructing Party.

Our liability for loss or damage shall be limited to such sum as we ought reasonably to pay having regard to our responsibility for the same on the basis that all other consultants and specialists, where appointed, shall be deemed to have provided to the Instructing Party contractual undertakings in respect of their services and shall be deemed to have paid to the Instructing Party such contribution as may be appropriate having regard to the extent of their responsibility for such loss or damage.

Our liability for any loss or damage arising out of the action or proceedings aforesaid shall, notwithstanding the preceding provisions, in any event be limited to a sum not exceeding three (3) times of the amount of our agreed fee(s) for this engagement. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, loss of profits, opportunity cost, etc.), even if it has been advised of their possible existence. For the avoidance of doubt our liability shall never exceed the lower of the sum calculated in accordance with the preceding provisions and the sum provided for in this clause.

The Instructing Party is required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our engagement except to the extent that any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence, misconduct, willful default or fraud of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

Any decision to purchase, sell or transfer any interest in the valuation subjects shall be the owners' sole responsibility, as well as the structure to be utilized and the price to be accepted. The selection of the price to be accepted requires consideration of factors beyond the information we will provide or have provided. An actual transaction involving the subject business might be concluded at a higher value or at a lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivations of the buyers and sellers at that time.

12 Conclusion

The conclusion of value is based on the accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

While the assumptions and consideration of such matters are considered to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Instructing Party and/or FT Consulting Limited.

Based on the valuation methodology adopted, we are of the opinion that the market value of 100% equity interest of Target Company, as at 30 June 2021, was in the sum of **HKD138,290,000 (HONG KONG DOLLARS ONE HUNDRED THIRTY-EIGHT MILLION TWO HUNDRED NINETY THOUSAND)**.

We hereby certify that we have neither present nor prospective interests in the Company or the value reported.

Yours faithfully,
For and on behalf of
FT Consulting Limited

Leo MY Lo MRICS
Director

APPENDIX C – IFA LETTER



W CAPITAL MARKETS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201813207E)
65 Chulia Street
#43-01 OCBC Centre
Singapore 049513

10 February 2022

The Directors of Ntegrator International Ltd. who are considered independent in relation to the Proposed Acquisition of 55% of the issued share capital of Golden Ultra (the “**Recommending Directors**”)

Mr. Chay Yiowmin	(Independent Non-Executive Chairman)
Mr. Leung Kwok Kuen Jacob	(Independent Non-Executive Director)
Ms. Zhou Jia Lin	(Independent Non-Executive Director)
Mr. Leung Yu Tung Stanley	(Independent Non-Executive Director)
Mr. Tao Yeoh Chi	(Independent Non-Executive Director)
Mr. Han Meng Siew	(Executive Director)

Dear Sirs,

THE PROPOSED ACQUISITION OF 55% OF THE ISSUED SHARE CAPITAL OF GOLDEN ULTRA LIMITED AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 10 February 2022 (“**Circular**”) issued by Ntegrator International Ltd. (the “**Company**”, and together with its subsidiaries (the “**Group**”) shall have the same meanings herein.*

1. INTRODUCTION

On 12 October 2021, the Company announced that it had entered into a share purchase agreement (the “**Golden Ultra SPA**”) with Christian Kwok-Leun Yau Heilesen (“**Mr. Heilesen**” or the “**Golden Ultra Vendor**”), to acquire 550 ordinary shares (the “**Golden Ultra Sale Shares**”) in Golden Ultra Limited (“**Golden Ultra**”), representing 55.0% of the issued share capital of Golden Ultra (the “**Proposed Acquisition of Golden Ultra**”). Upon completion of the Proposed Acquisition of Golden Ultra, the Company will hold 550 ordinary shares representing 55.0% of the issued share capital of Golden Ultra, and Golden Ultra and CKLY Trading Limited will become subsidiaries of the Group.

The Proposed Acquisition of Golden Ultra constitutes (i) an interested person transaction pursuant to Chapter 9 of the Catalist Rules which is conditional upon approval by Shareholders and (ii) a “major transaction” of the Company as defined under Chapter 10 of the Catalist Rules.

Mr. Heilesen is a director and controlling shareholder of the Company, whilst also being the sole shareholder of Golden Ultra. Accordingly, he is an “interested person” and the Proposed Acquisition of Golden Ultra is an “interested person transaction” under Chapter 9 of the Catalist Rules. Mr. Heilesen will abstain and has also undertaken to ensure that his associates will abstain, from voting on the ordinary resolution relating to the Proposed Acquisition of Golden Ultra at the EGM.

The Company has appointed W Capital Markets Pte. Ltd. ("**W Capital**") as the independent financial adviser ("**IFA**") pursuant to Rules 921(4)(a) of the Catalist Rules, as well as to advise the Recommending Directors in relation to the Proposed Acquisition of Golden Ultra being an Interested Person Transaction. This letter ("**IFA Letter**") sets out, *inter alia*, our evaluation of and opinion on the Proposed Acquisition of Golden Ultra. This IFA Letter forms part of the Circular issued by the Company to its Shareholders in connection with the Proposed Acquisition of Golden Ultra.

2. TERMS OF REFERENCE

The purpose of this IFA Letter is to provide an independent opinion on whether the terms of the Proposed Acquisition of Golden Ultra is on normal commercial terms and whether the Proposed Acquisition of Golden Ultra is prejudicial to the interests of the Company and its independent Shareholders ("**Minority Shareholders**"). We have prepared this IFA Letter pursuant to the requirements of Chapter 9 of the Catalist Rules as well as for the use of the Recommending Directors in connection with their consideration of the Proposed Acquisition of Golden Ultra and their advice to the Shareholders arising thereof. The recommendations made by the Recommending Directors to the Shareholders shall remain the responsibility of the Recommending Directors.

We were neither a party to the negotiations entered into by the Company in relation to the Proposed Acquisition of Golden Ultra, nor were we involved in the deliberations leading up to the decision on the part of the Directors to undertake the Proposed Acquisition of Golden Ultra. Accordingly, we do not, by this IFA Letter, warrant the merits of the Proposed Acquisition of Golden Ultra and our terms of reference do not require us to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks (if any) of the Proposed Acquisition of Golden Ultra.

In the course of our evaluation, we have held discussions with the management of the Company (the "**Management**") and/or their professional advisers and have examined and relied to a considerable extent on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and/or their professional advisers, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, and have found no reason to doubt the accuracy or reliability of the information. In this regard, we note that the Directors have collectively and individually accepted full responsibility for the accuracy of the information given in the Circular as set out in the "Directors' Responsibility Statement" in Paragraph 10 of the Circular.

The scope of our appointment does not require us to perform an independent evaluation or appraisal of the assets, liabilities and/or profitability of the Company, its subsidiaries and its associated companies (the "**Group**") and/or Golden Ultra and its subsidiary ("**Golden Ultra Group**") and we do not express a view on the financial position, future growth prospects and earnings potential of the Group after the completion of the Proposed Acquisition of Golden Ultra in accordance with the terms of the Golden Ultra SPA. As such, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities and profitability of the Group and/or Golden Ultra Group. In this respect, we have been furnished with, *inter alia*, a valuation report dated 11 October 2021 ("**Valuation Report**") prepared by FT Consulting Limited (the "**Independent Valuer**") in relation to the independent valuation on the market value of 100% equity interest in the capital of CKLY Trading Limited as at 30 June 2021 (the "**Valuation Date**"). As we are not experts in the evaluation or appraisal of the assets as set out in the Valuation Report, we have placed sole reliance on the appraisal in relation to CKLY Trading Limited as assessed by the Independent Valuer and as set out in the Valuation Report.

The information on which we relied was based upon market, economic, industry, monetary and other conditions prevailing as at 8 February 2022 (the “**Latest Practicable Date**” or “**LPD**”) which may change significantly over a relatively short period of time. We assume no responsibility to update, revise or affirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In rendering our opinion in relation to the Proposed Acquisition of Golden Ultra, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder or specific group of Shareholders. As each Shareholder would have different investment objectives and profiles, we recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in the context of his specific or their investments objectives or portfolio(s) consult his or their legal, financial, tax or other professional adviser.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion in relation to the Proposed Acquisition of Golden Ultra should be considered in the context of the entirety of this IFA Letter and the Circular.

3. INFORMATION ON GOLDEN ULTRA GROUP

Golden Ultra is a private company limited by shares duly incorporated in British Virgin Islands on 2 July 2021 and has an issued share capital of US\$1,000 comprising 1,000 ordinary shares. Golden Ultra is an investment holding company with no other business/operation and has a wholly owned subsidiary, namely, CKLY Trading Limited.

CKLY Trading Limited is a private company limited by shares incorporated in Hong Kong on 14 May 2014 and has an issued share capital of HK\$10,000 comprising 10,000 ordinary shares. CKLY Trading Limited is principally in the business of trading watches through an online platform known as www.bestwatch.com.hk, which sells various luxury watch brands for customers in Hong Kong and other countries. The website www.bestwatch.com.hk commenced operations in 2019 and is one of the sales channel of CKLY Trading Limited.

As at the Latest Practicable Date, Mr. Heilesen is the sole shareholder of Golden Ultra and sole director of CKLY Trading Limited.

4. SALIENT TERMS OF THE PROPOSED ACQUISITION OF GOLDEN ULTRA

The detailed terms of the Proposed Acquisition of Golden Ultra have been set out in Paragraphs 3.4, 3.6 and 3.7 of the Circular. A summary of the salient terms is set out below for your reference.

4.1 Consideration for the Proposed Acquisition of Golden Ultra

The aggregate maximum value to be paid by the Company in connection with the Proposed Acquisition of Golden Ultra shall be HK\$110 million (the “**Maximum Consideration**”), comprising the consideration of HK\$82.5 million (the “**Golden Ultra Consideration**”) to be paid to the Golden Ultra Vendor by way of promissory notes (“**Golden Ultra Promissory Notes**”) (or such other payment method as the Company and the Golden Ultra Vendor may agree in writing) and a maximum Golden Ultra Earnout Incentive of HK\$27.5 million assumed to be paid by the Company to the Golden Ultra Vendor in accordance with the formula and conditions detailed below.

The Golden Ultra Consideration was arrived at arm’s length and on a willing-buyer-willing-seller basis, after taking into account, *inter alia*, the following:

- (a) the market value of the 100% equity interest of CKLY Trading Limited as set out in the Valuation Report and Golden Ultra Limited is the investment holding company of CKLY Trading Limited and therefore not included in the Golden Ultra Valuation Report;
- (b) the aggregate net profits attributable to the Golden Ultra Sale Shares set out in the pro forma combined financial statements of the Golden Ultra Group for the six months ended 30 June 2021; and
- (c) the prevailing economic conditions.

In addition to the Golden Ultra Consideration of HK\$82.5 million, the Company shall pay the Golden Ultra Vendor the Golden Ultra Earnout Incentive (calculated based on the formula below) which will be paid in two tranches, whereby (i) the first tranche shall be paid within seven business days from the date the Company announces its audited consolidated financial statements of the Group for the six months ending 30 June 2022 (“**HY2022**”) via SGXNET; and (ii) the second tranche shall be paid within seven business days from the date the Company announces its audited financial statements of the Group for the financial year ending 31 December 2022 (“**FY2022**”).

First Tranche of the Golden Ultra Earnout Incentive = HY2022 EBITDA x 8 x 55%

Where HY2022 EBITDA refers to the earnings before interest, taxes, depreciation and amortisation based on the unaudited consolidated financial statements of the Golden Ultra Group for the financial period ending 30 June 2022.

*Second Tranche of the Earnout Incentive
= (FY2022 EBITDA x 8 x 55%) – First Tranche of the Golden Ultra Earnout Incentive*

Shareholders should note that due to an inadvertent typographical error, the definition of “**HY EBITDA**” as stated in the Company’s announcement dated 12 October 2021 was incorrect. The definition of “**HY EBITDA**” has since been rectified in this Circular and corrected as follows:

*Where “**HY EBITDA**” means earnings before interest, taxes, depreciation and amortisation based on the unaudited consolidated financial statements of the Golden Ultra Group for the financial **year period** ending 30 June 2022.*

Where FY2022 EBITDA refers to the earnings before interest, taxes, depreciation and amortisation based on the audited consolidated financial statements of the Golden Ultra Group for the financial year ending 31 December 2022.

In the event the second tranche of the Golden Ultra Earnout Incentive is a negative figure and the negative figure (insofar as the absolute value is concerned) is:

- (a) equal or more than the first tranche of the Golden Ultra Earnout Incentive, the Golden Ultra Vendor shall surrender the Golden Ultra Certificate representing all Golden Ultra Promissory Notes issued by the Company in respect of the first tranche of the Golden Ultra Earnout Incentive within seven business days from the date the Company announces its audited consolidated financial statements of the Group for FY2022 and such Golden Ultra Promissory Notes shall be cancelled and cease to be valid for any purpose without cost or penalty to the Company. If any Golden Ultra Promissory Notes issued by the Company in respect of the first tranche of the Earnout Incentive is redeemed by the Company prior to such date, the Golden Ultra Vendor shall repay a sum equivalent to the sum paid by the Company in respect of that redemption within seven business days from the date the Company announces its audited consolidated financial statements of the Group for FY2022; and
- (b) less than the first tranche of the Golden Ultra Earnout Incentive, the Golden Ultra Vendor shall surrender the Golden Ultra Certificate representing Golden Ultra Promissory Notes issued by the Company in respect of the first tranche of the Golden Ultra Earnout Incentive with an aggregate principal value equivalent to the negative figure (insofar as the absolute value is concerned) within seven business days from the date the Company announces its audited consolidated financial statements of the Group for FY2022 and such Golden Ultra Promissory Notes shall be cancelled and cease to be valid for any purpose without cost or

penalty to the Company. If the aggregate principal value of the outstanding Golden Ultra Promissory Notes issued by the Company in respect of the first tranche of the Golden Ultra Earnout Incentive is less than the negative figure (insofar as the absolute value is concerned), the Golden Ultra Vendor shall repay a sum in cash equivalent to the difference between the aggregate principal value of the outstanding Golden Ultra Promissory Notes issued by the Company in respect of the first tranche of the Golden Ultra Earnout Incentive and the negative figure (insofar as the absolute value is concerned) within seven business days from the date the Company announces its audited consolidated financial statements of the Group for FY2022.

The maximum Golden Ultra Earnout Incentive was arrived at arm's length and on a willing-buyer-willing-seller basis after taking account, *inter alia*, the following:

- (a) The Golden Ultra Group comprise fast-growing company with knowledgeable and experienced personnel in the trading of watches; and
- (b) The potential revenue that may be generated by the Golden Ultra Group.

4.2 Principal terms of the Golden Ultra SPA:

According to the Golden Ultra SPA:

- (a) the obligations of the Company and the Golden Ultra Vendor are conditional upon, and completion of the Proposed Acquisition of Golden Ultra shall not take place until, all the following conditions precedent have been fulfilled:
 - (i) the Golden Ultra Vendor having procured all necessary approvals from the board of directors and/or shareholders of Golden Ultra Group companies in connection with the Golden Ultra SPA and the transactions contemplated therein, and such approvals not having been amended or revoked before the completion date;
 - (ii) the Company having obtained all necessary approvals from its board of directors in connection with the Golden Ultra SPA and the transactions contemplated therein;
 - (iii) the Company being reasonably satisfied with the results of the due diligence investigations (legal, financial (including the audited financial statements of the Golden Ultra Group), tax or otherwise) conducted on the Golden Ultra Group (the "**Due Diligence Investigations**");
 - (iv) the Golden Ultra Vendor having procured the rectification by the Golden Ultra Group companies of all issues and/or irregularities uncovered during the Due Diligence Investigations to the reasonable satisfaction of the Company;
 - (v) the Company having obtained approvals from its shareholders at an extraordinary general meeting ("**EGM**") to be convened in connection with the Proposed Acquisition of Golden Ultra and the diversification of the existing businesses of the Group to include the Proposed New Watch Business;
 - (vi) the Company being reasonably satisfied that there has been no material adverse change, or events, acts or omissions likely to lead to a material adverse change, in the business, operations, assets, financial condition and/or prospects of the Golden Ultra Group;
 - (vii) each of the representations, warranties and undertakings given by the Golden Ultra Vendor remaining true and accurate in all material respects as at the completion date (by reference to the facts and circumstances then subsisting) with the same force and effect as if repeated on the completion date;
 - (viii) the Golden Ultra Vendor obtaining all necessary consents, approvals and waivers in respect of any right of pre-emption or any other restriction conferred under the constitution of the Golden Ultra Group companies or otherwise in relation to the sale and purchase of the Golden Ultra Sale Shares to the Company and/or its nominees, and such consents, approvals and waivers not having been amended or revoked before the completion date; and

- (ix) all necessary consents, approvals and waivers where required for the transactions contemplated under the Golden Ultra SPA (including third party, governmental and regulatory consents, approvals and waivers) having been obtained by the Company and the Golden Ultra Vendor, and such consents, approvals and waivers not having been amended or revoked before completion date, and if any such consents, approvals or waivers are subject to conditions, such conditions being fulfilled on or before the completion date.
- (b) If any of the conditions precedent are not fulfilled on or before 5.00 p.m. on the long stop date, being 12 months from the date of the Golden Ultra SPA or such other later date as the parties may agree in writing, and such non-fulfilment is not waived by party who has the benefit of such condition precedent, the Golden Ultra SPA shall lapse and no party shall have any claim against the other party under the Golden Ultra SPA, save for any claim arising from antecedent breaches of the Golden Ultra SPA;
- (c) The Company and the Golden Ultra Vendor and his associates have agreed that:
 - (i) The Golden Ultra Vendor and his associates shall repay all loans made by CKLY Trading Limited to them, comprising (aa) an interest free loan of approximately HK\$8.3 million extended by CKLY Trading Limited to the Golden Ultra Vendor; and (bb) an interest free loan of approximately HK\$12.7 million extended by CKLY Trading Limited to the Golden Ultra Vendor's associates, by 30 June 2022; and
 - (ii) The Golden Ultra Group shall declare dividends to the Golden Ultra Vendor, such amount to be determined on the completion date of the Proposed Acquisition of Golden Ultra (relying on the latest audited accounts of Golden Ultra Group) which will result in the NTA of the Golden Ultra Group to be HK\$0.

As at the Latest Practicable Date, CKLY Trading Limited had declared and paid a dividend of HK\$10 million on 31 August 2021 to the Golden Ultra Vendor;

- (d) The Golden Ultra Vendor has agreed to indemnify, defend and hold harmless the Company (and its directors, officers, employees, agents, representatives, affiliates, successors and assigns) or at the Company's option, the Golden Ultra Group, from and against any and all losses, liabilities, fines, penalties, costs (including legal or arbitral costs, advisors', experts' and consultants' fees and costs of enforcement of any settlements, judgments or arbitral awards), charges, expenses, actions, proceedings, investigations, claims and demands which the Company or the Golden Ultra Group (as the case may be) may at any time and from time to time sustain, incur or suffer by reason of: (i) any non-compliance by the Golden Ultra Group with applicable laws and regulations; and (ii) any breach by the Golden Ultra Vendor of its representations, warranties and undertakings contained in the Golden Ultra SPA;
- (e) Each party shall bear and be responsible for its respective costs and expenses incurred in relation to the negotiation, preparation, finalisation, execution The Company shall bear the cost of all notarial fees and all registration, stamp and transfer taxes and duties or their equivalents in all jurisdictions where such fees, taxes and duties are payable as a result of the transactions contemplated by the Golden Ultra SPA and shall be responsible for arranging the payment of all such fees, taxes and duties, including fulfilling any administrative or reporting obligation imposed by the jurisdiction in question in connection with the payment of such fees, taxes and duties; and
- (f) The Golden Ultra SPA shall be governed by, and construed in accordance with, the laws of Singapore.

4.3 Principal terms of the Golden Ultra Promissory Notes:

According to the Golden Ultra SPA, the salient terms of the Golden Ultra Promissory Notes are as follows:

- (a) The Golden Ultra Promissory Notes shall be represented by registered certificates (the "**Golden Ultra Certificates**") in the denominations of S\$1.00 each and, save as provided,

each Certificate shall represent the entire holding of Golden Ultra Promissory Notes by the same holder. The Golden Ultra Promissory Notes will not be secured by any assets of the Company or guarantee provided by the same holder;

- (b) One or more Golden Ultra Promissory Notes may be transferred by giving the Company 14 business days' notice in writing, and the date falling on the 14th business day after the date of receipt of the transfer notice shall be the "**Elected Transfer Date**". On the Elected Transfer Date, the Golden Ultra Certificate representing such Golden Ultra Promissory Notes to be surrendered (at the registered office of the Company), together with the form of transfer endorsed on such Golden Ultra Certificate, duly completed and executed. No transfer of title to any Golden Ultra Promissory Note will be valid or effective unless and until entered on the register. In the case of a transfer of part only of a holding of Golden Ultra Promissory Notes represented by one Golden Ultra Certificate, a new Golden Ultra Certificate shall be issued to the transferee in respect of the part transferred and a further new Golden Ultra Certificate in respect of the balance of the holding not transferred shall be issued to the transferor, provided that, in the case of a transfer of Golden Ultra Promissory Notes to a person who is already a holder of Golden Ultra Promissory Notes, a new Golden Ultra Certificate representing the enlarged holding shall only be issued against the surrender of the Golden Ultra Certificate representing the existing holding;
- (c) No Golden Ultra Promissory Note may be transferred by a Noteholder without the prior written consent of the Company (such consent not to be unreasonably withheld);
- (d) The Golden Ultra Promissory Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall at all times rank pari passu, without any preference or priority among themselves and pari passu with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Company, save for such exceptions as may be provided by mandatory provisions under applicable laws and regulations;
- (e) Each Golden Ultra Promissory Note shall bear interest from the date on which it is issued at a rate of 8% per annum, payable annually in arrears;
- (f) The Company may give a Noteholder 14 business days' notice in writing to redeem one or more Golden Ultra Promissory Notes held by that Noteholder at 100% of their principal value without cost or penalty, and the date falling on the 14th business day after the date of receipt of the redemption notice shall be the "**Elected Redemption Date**". On the Elected Redemption Date, the Golden Ultra Certificate representing such Golden Ultra Promissory Notes to be redeemed shall be surrendered (at the registered office of the Company). In the case of a redemption of part only of a holding of Golden Ultra Promissory Notes represented by one Golden Ultra Certificate, a new Golden Ultra Certificate in respect of the balance of the holding not redeemed shall be issued to the Noteholder. All interest accrued on the Golden Ultra Promissory Notes shall be paid on the Elected Redemption Date. For the avoidance of doubt, the Golden Ultra Promissory Notes are not redeemable at the option of the Noteholders. Mr Heilesen shall abstain from the decision-making process in relation to the redemption of the Golden Ultra Promissory Notes. As such, the redemption of the Golden Ultra Promissory Notes, which is unsecured and unsubordinated, is at the discretion of the Company which allows the Company to be in control of when it makes payment to the Golden Ultra Vendor despite the Group already having control of the acquired assets;
- (g) If there are outstanding Golden Ultra Promissory Notes that are not redeemed by the Company on the date falling two years from the date on which they were issued (the "**Maturity Date**"), the Company shall redeem such Golden Ultra Promissory Notes at 100% of their principal value without cost or penalty on the Maturity Date. On the Maturity Date, the Golden Ultra Certificate representing such Golden Ultra Promissory Notes shall be surrendered (at the registered office of the Company). All interest accrued on the Golden Ultra Promissory Notes shall be paid on the Maturity Date. In the event the Company has insufficient funds to redeem the Golden Ultra Promissory Notes at 100% of their principal value on the Golden Ultra Maturity Date, the Golden Ultra Maturity Date may be extended to a date and time to be mutually agreed in writing by the Golden Ultra Noteholder and the Company; and

- (h) The Golden Ultra Promissory Notes are governed by, and shall be construed in accordance with, the laws of Singapore.

5. EVALUATION OF THE PROPOSED ACQUISITION OF GOLDEN ULTRA

In arriving at our opinion on whether the Proposed Acquisition of Golden Ultra is on normal commercial terms and not prejudicial to the interests of the Company and its Minority Shareholders, we have given due consideration to, *inter alia*, the following:

- 5.1 Rationale and benefits for the Proposed Acquisition of Golden Ultra;
- 5.2 Historical financial performance and financial condition of CKLY Trading Limited;
- 5.3 Assessment of the fairness of the Maximum Consideration in comparison with:
 - (i) the fair market value of 100% equity interest in CKLY Trading Limited as assessed by the Independent Valuer; and
 - (ii) the valuation statistics of selected companies listed on SGX and Hong Kong Stock Exchange which nature of business are broadly comparable to CKLY Trading Limited; and
- 5.4 Assessment of the reasonableness of interest rate of the Golden Ultra Promissory Notes; and
- 5.5 Other relevant considerations.

5.1 Rationale and benefits for the Proposed Acquisition of Golden Ultra

We have considered the rationale and benefits for the Proposed Acquisition of Golden Ultra by the Company as set out in Paragraph 3.3.1 of the Circular and we have set them out in italics below for your ease of reference:

“3.3.1 The Proposed Acquisition of 55% of the issued share capital of Golden Ultra is part of the Group’s corporate strategy to enter the watch trading business with a view to have diversified returns and the potential for long-term growth. The Board believes that the Proposed Acquisition of 55% of the issued share capital of Golden Ultra will provide the Group with new revenue streams, improve profitability and its prospects, and in turn, enhance shareholder’s value. The Board also believes that acquiring Golden Ultra Group will benefit the Group for the long term.”

5.2 Historical financial performance and financial condition of CKLY Trading Limited

As Golden Ultra is an investment holding company with no other business/operation, save for through CKLY Trading Limited, we have been provided with and have considered the historical financial performance and finance condition of CKLY Trading Limited. Set out below is the summary of the financial information of CKLY Trading Limited for the last three financial years ended 31 December (“FY”) 2018, 2019, 2020 and for the trailing twelve months period (“TTM”) ended 30 June 2021 (“HY2021 TTM”) respectively provided by the Company:

Summary of financial results of CKLY Trading Limited

HK\$'000	FY2018 Audited	FY2019 Audited	FY2020 Audited	HY2021 TTM Unaudited
Revenue	299,494	310,870	370,900	485,874
Cost of sales	(291,538)	(300,523)	(357,252)	(469,264)
Gross profit	7,956	10,347	13,648	16,610
Other income	2,016	1,818	472	-
Administrative expenses	(6,327)	(7,193)	(6,738)	(6,629)
Finance cost	(1,172)	(2,535)	(3,390)	(4,008)
Profit/(loss) before tax	2,473	2,437	3,992	5,973
Income tax expense	(205)	(366)	(621)	(820)
Profit/(loss) for the year	2,268	2,071	3,371	5,153
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	2,268	2,071	3,371	5,153
EBITDA	3,671	4,943	8,052	9,981

Source: Company

Note:

(1) Figures in the above table may not add up due to rounding.

From the table above, we note that the revenue for CKLY Trading Limited has been increasing on a year-on-year basis by approximately 3.8% in FY2019 and by approximately 19.3% in FY2020.

For FY2019, CKLY Trading Limited recorded a lower profit after tax of approximately HK\$2.1 million despite of the slight increase in revenue as compared to FY2018. This is mainly due to higher administrative expenses and finance costs (which comprise mainly bank import loan interest). Other income of CKLY Trading Limited in FY2019 comprises mainly gain on exchange differences of HK\$0.86 million and accountancy service fee of HK\$0.96 million. The decrease in other income in FY2019 is mainly due to lower gain on exchange differences being recognized during the year.

For FY2020, CKLY Trading Limited recorded a 62.8% increase in profit for the year on the back of higher revenue and lower administrative expenses, which is partially offset by higher finance costs. Other income in FY2020 includes a one-off anti-epidemic fund of HK\$0.37 million received from the Hong Kong Government in light of the COVID-19 situation and was lower than FY2019 due mainly to lower gain on exchange differences and the absence of accountancy service fee which was recorded in FY2019.

For the 12-months period of HY2021 TTM, revenue was approximately 31.0% higher as compared to FY2020, resulting in a correspondingly higher net profit of approximately HK\$5.15 million and higher EBITDA of approximately HK\$9.98 million.

In addition, we noted from the audited accounts of CKLY Trading that it had generated net cash outflows from operating activities in FY2018, FY2019 and FY2020 of approximately HK\$26.26 million, HK\$1.83 million and HK\$41.18 million respectively. For FY2020, the net cash outflows from operating activities was mainly arising from (i) increase in inventories of HK\$30.55 million; and (ii) increase in deposits and prepayments of HK\$30.04 million, and partially offset by decrease in trade receivables of HK\$13.23 million.

Management unaudited balance sheet of CKLY Trading Limited

HK\$'000	30 June 2021
	Unaudited
<u>Non-current asset</u>	
Property, plant and equipment	192
<u>Current assets</u>	
Inventories	12,964
Trade receivables	10,708
Amount due from a director	15,145
Amount due from related companies	23,117
Deposits and prepayments	42,331
Cash and bank balances	42,319
Total current assets	<u>146,584</u>
Total assets	<u>146,776</u>
<u>Long-term liabilities</u>	
Bank borrowings	133,625
Total long-term liabilities	<u>133,625</u>
<u>Current liabilities</u>	
Accruals and other payables	1,758
Income tax payable	91
Total current liabilities	<u>1,849</u>
Total liabilities	<u>135,474</u>
Net assets	<u>11,302</u>
<u>Equity</u>	
Share capital	10
Retained earnings	8,514
Net income	2,778
Total equity	<u>11,302</u>

Source: Company

Based on the above, we note that as at 30 June 2021:

- (a) the assets of CKLY Trading Limited comprised mainly deposits and prepayments as well as cash and bank balances amounting to approximately HK\$84.7 million;
- (b) the liabilities of CKLY Trading Limited comprised mainly bank import trade loans of approximately HK\$89.7 million and revolving loans of approximately HK\$40.0 million;
- (c) the current assets of CKLY Trading Limited exceeds its current liabilities by approximately HK\$144.7 million; and
- (d) the unaudited NAV of CKLY Trading Limited was HK\$11.3 million.

In respect of the above, we note the following:

- Based on CKLY Trading Limited's FY2020 profit for the year of approximately HK\$3.4 million, the P/E ratio as implied by the Golden Ultra Consideration and Maximum Consideration is approximately 44.1 times and 58.8 times respectively;
- Based on CKLY Trading Limited's HY2021 TTM profit for the twelve-months period ended 30 June 2021 of approximately HK\$5.15 million, the TTM P/E ratio as implied by the Golden Ultra Consideration and Maximum Consideration is approximately 29.1 times and 38.8 times respectively;
- Based on CKLY Trading Limited's HY2021 TTM EBITDA for the twelve-months period ended 30 June 2021 of approximately HK\$9.98 million, the EV/TTM EBITDA ratio as implied by the Golden Ultra Consideration and Maximum Consideration is approximately 15.0 times and 20.0 times respectively. In this regard, we note that the Golden Ultra Earnout Incentive is computed based on 8 times of Golden Ultra Group's FY2022 EBITDA multiplied by the 55% equity interest of Golden Ultra that will be held by the Company at completion and that in order for the Golden Ultra Vendor to receive the maximum Earnout Incentive of HK\$27.5 million, the Golden Ultra Group will need to achieve a minimum EBITDA of HK\$6.25 million (which is approximately 22.4% lower as compared to the EBITDA for FY2020) for the financial year ending 31 December 2022; and
- The P/NAV ratio as implied by the Golden Ultra Consideration and Maximum Consideration is approximately 13.3 times and 17.7 times respectively, based on the latest NAV of CKLY Trading Limited as at 30 June 2021 of approximately HK\$11.3 million. In this regard, we further note that it was agreed between the Company and the Golden Ultra Vendor, *inter alia*, that Golden Ultra Group shall declare dividends to the Golden Ultra Vendor ("**Pre-completion Dividend Payout**"), such amount to be determined on completion of the Proposed Acquisition of Golden Ultra which will result in the NTA of Golden Ultra Group to be reduced to HK\$0 and that as at the Latest Practicable Date, CKLY Trading Limited has declared and paid a dividend of HK\$10 million to the Golden Ultra Vendor.

5.3 Assessment of the fairness of the Maximum Consideration

5.3.1 Comparison with the fair market value of 100% equity interest in CKLY Trading Limited

In connection with the Proposed Acquisition of Golden Ultra, the Independent Valuer was commissioned by the Company to assess and determine the market value of the 100% equity interest of CKLY Trading Limited as at 30 June 2021.

As set out in the Valuation Report, the Independent Valuer has conducted its valuation on the basis of "Market Value" which is defined as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The Independent Valuer has considered three generally accepted valuation approaches, namely, Cost Approach, Market Approach and Income Approach.

The Cost Approach uses the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset. This approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other forms of obsolescence.

Whereas, the indication of value under the Market Approach is derived by comparing the asset with identical or comparable assets for which price information is available. The Market Approach is preferred if there are reliable, verifiable and relevant market information is available.

The Income Approach provides an indication of value by converting future cash flow to a single current value. Under this approach, the value of an asset is determined by reference to the value of income, cash flow or cash savings generated by the asset. The Income Approach will be

considered if the income producing ability of the asset is the critical element affecting value from a market participant perspective and the availability of reliable projections of the amount and timing of future income for the asset.

We note that the Independent Valuer has adopted Income Approach to be the most appropriate approach in determining its opinion of value of CKLY Trading Limited. The Market Approach is not adopted by the Independent Valuer because there is insufficient comparable companies observed in the special niche market of online luxury watch trading that CKLY Trading Limited is operating in. The Cost Approach is also deemed inappropriate by the Independent Valuer as it does not take the economic profits contributed by the intangible asset of CKLY Trading Limited, such as its online platform and customer relationship.

Accordingly, the Income Approach was determined by the Independent Valuer as the most appropriate in the valuation of CKLY Trading Limited because it takes into account the future revenue that can be obtained by taking the intangible asset into consideration. In this regard, the Independent Valuer has been provided with projections for the 6 months ending 31 December 2021 and the following financial years ending 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 which form the basis of its discounted cash flow analysis. The Independent Valuer has also performed a sensitivity analysis using several values for discount rate and perpetual growth rate for the discounted cash flow analysis.

Based on the investigation and analysis performed, the Independent Valuer is of the opinion that the market value of 100% equity interest of CKLY Trading Limited as at 30 June 2021 is HK\$138.29 million. Accordingly, the proportionate market value attributable to the Golden Ultra Sale Shares would be approximately HK\$76.1 million in respect of the 55% equity interest in CKLY Trading Limited. In this regard, we note that that the Maximum Consideration of HK\$110.0 million (i) is at a premium of approximately 44.5% to the market value attributable to the Golden Ultra Sale Shares based on the independent valuation of CKYL Trading Limited. It is also noted that the valuation does not take into account the repayment of the dividends to Mr. Heilesen and loans due from the Golden Ultra Group to Mr. Heilesen and loans due from the Golden Ultra Group to Mr. Heilesen and his associates to be made and that as at the Latest Practicable Date, CKLY Trading Limited has declared and paid a dividend of HK\$10 million on 31 August 2021 to the Golden Ultra Vendor.

As set out in Paragraphs 3.4.4 and 3.4.5 of the Circular, we note that in arriving at the Maximum Consideration, apart from the Valuation Report, the Directors have also taken into account various non-quantitative factors, including amongst others, (i) Golden Ultra Group has been operating in the watch retailing business since 2016; (ii) Golden Ultra Group has been profitable for 5 years in a row, and with a positive and growing EBITDA; (iii) Golden Ultra Group is able to sell to and attract customers through online means as well as for clients that walk-in at the shop/office level due to its omni channel approach; (iv) Golden Ultra Group is capable of demonstrating that it has competent personnel to support the operation and expansion of the business; (v) Golden Ultra Group's extensive network of existing customers, suppliers, dealers and connections for the last 5 to 6 years; and (vi) value of CKLY Trading Limited's website, www.bestwatch.com.hk, and the search engine optimisation that is included in the website.

It should be noted that the independent valuation of CKLY Trading Limited is based on various assumptions and limitations as set out in the Valuation Report, and Shareholders are advised to read the above in conjunction with the Valuation Report in its entirety as set out in Appendix B to the Circular.

5.3.2 Comparison with the valuation statistics of selected companies listed on SGX and Hong Kong Stock Exchange which nature of business are broadly comparable to CKLY Trading Limited

In considering what may be regarded as a reasonable range of valuation for the purposes of assessing the Maximum Consideration of the Proposed Acquisition of Golden Ultra, we have referred to selected companies listed and traded on the SGX and Hong Kong Stock Exchange with business operations that are broadly comparable with those of CKLY Trading Limited to provide an indication of the current market expectations with regard to the perceived valuation of such businesses (collectively, the "Comparable Companies").

We wish to highlight that the Comparable Companies are not exhaustive and there is no listed company or group which may be considered identical to CKLY Trading Limited (which is in the niche market of online luxury watch trading) in terms of, *inter alia*, business activities, size and scale of operations, risk profile, geographical spread, operating and financial leverage, accounting policies, adherence to accounting standards, tax factors, track record and future prospects. In addition, each of the Comparable Companies may engage in other separate business activities which are not related to the principal business of CKLY Trading Limited. Shareholders should also note that private companies, such as CKLY Trading Limited, are generally valued at a discount to listed companies due to lack of marketability. On the other hand, we have not taken into account any control premium applicable to an acquisition of a controlling stake as the quantification of such a premium is highly subjective. As such, any comparison herein merely serves as an illustrative guide to Shareholders.

Details on the Comparable Companies, including their business descriptions and selected key financial and valuation statistics, are set out below:

Company	Stock exchange	Business description (as extracted from Bloomberg)	Market Capitalisation as at the LPD (\$ million) ⁽¹⁾
The Hour Glass Limited	Singapore	The Hour Glass Limited retails and wholesales watches, jewelry and related products through its subsidiaries. The Company also manufactures watches and invests in properties.	1,293.8
Cortina Holdings Limited	Singapore	Cortina Holdings Limited retails and distributes luxury watches in the Asia Pacific region. The Company also trades, imports, and exports pens, lighters, and clocks.	670.6
Oriental Watch Holdings Limited	Hong Kong	Oriental Watch Holdings Limited, through its subsidiaries, trades watches and invests in properties.	380.1
Time Watch Investments Limited	Hong Kong	Time Watch Investments Limited manufactures watches. The Company designs, develops, assembles, markets and sells brand name watches throughout Hong Kong and the Peoples Republic of China.	218.3
Emperor Watch & Jewellery Ltd	Hong Kong	Emperor Watch & Jewellery Ltd retails luxurious branded watches, and offers design and sales of jewellery products.	242.2
Sincere Watch Hong Kong Ltd	Hong Kong	Sincere Watch Hong Kong Ltd wholesales watches. The Company distributes Franck Muller brand watches in Hong Kong, Macau, the People's Republic of China, Taiwan and Thailand, and de Grisogono, European Company Watch and Pierre Kunz watches in Hong Kong.	59.4
Asia Commercial Holdings Limited	Hong Kong	Asia Commercial Holdings Limited is principally engaged in high-end watch retailing and its retail sales network set up luxury watch stores and flagship stores to sell international brands of watches to customers. The Company also invests in properties.	28.4
Luxxu Group Limited	Hong Kong	Luxxu Group Limited designs, manufactures and distributes watches. The company provides watches designing, production, marketing, and other services. Luxxu Group markets its products throughout Hong Kong.	32.1

Company	Stock exchange	Business description (as extracted from Bloomberg)	Market Capitalisation as at the LPD (\$ million) ⁽¹⁾
Prosper One International Holdings Company Limited	Hong Kong	Prosper One International Holdings Company Limited operates watch retail chains. The Company provides wrist watches, clocks, and other products. Prosper One International Holdings also sales biofertilizer shoes, hats, mobile phone accessories, and other products.	15.2

Source: Bloomberg L.P.

The valuation measures of the Comparable Companies are set out below:

Comparable Companies	Enterprise valuation ⁽¹⁾ (S\$ million)	EV/TTM EBITDA ⁽¹⁾	TTM P/E ⁽¹⁾	P/B ⁽¹⁾
The Hour Glass Limited	1,258.8	8.4x	15.7x	1.9x
Cortina Holdings Limited	688.1	8.2x	17.0x	2.5x
Oriental Watch Holdings Limited	259.4	3.1x	9.4x	1.1x
Time Watch Investments Limited	54.3	0.8x	4.9x	0.5x
Emperor Watch & Jewellery Ltd	355.1	2.9x	5.0x	0.3x
Sincere Watch Hong Kong Ltd	86.1	n.a. ⁽²⁾	n.a. ⁽³⁾	0.5x
Luxxu Group Limited	26.9	n.a. ⁽²⁾	n.a. ⁽³⁾	1.0x
Asia Commercial Holdings Ltd	49.8	2.5x	2.8x	0.4x
Prosper One International Holdings Company Limited	16.0	10.9x	n.a. ⁽³⁾	3.1x
High		10.9x	17.0x	3.1x
Low		0.8x	2.8x	0.3x
Mean		5.3x	9.1x	1.2x
Median		3.1x	7.2x	1.0x
CKLY Trading Limited implied by the Maximum Consideration⁽⁴⁾		20.0x	38.8x	17.7x

Source: Bloomberg L.P. and W Capital computations

Notes:

- (1) Market capitalisation, Enterprise valuation, EV/TTM EBITDA, TTM P/E and P/B of the Comparable Companies were based on their respective closing prices as at the Latest Practicable Date.
- (2) Not applicable as the respective Comparable Companies recorded negative EBITDA.
- (3) Not applicable as the respective Comparable Companies recorded negative net profit.
- (4) The EV/TTM EBITDA, TTM P/E and P/B multiple of CKLY Trading Limited as implied by the Maximum Consideration were computed based on its HY2021 TTM financial results.

Based on the above, we note that:

- (a) the EV/TTM EBITDA ratio of CKLY Trading Limited as implied by the Consideration of 20.0 times is higher than the EV/EBITDA ratios of the Comparable Companies of between 0.8 times and 10.9 times;
- (b) the TTM P/E ratio of CKLY Trading Limited as implied by the Consideration of 38.8 times is higher than the P/E ratios of the Comparable Companies of between 2.8 times and 17.0 times; and

- (c) the P/B ratio of CKLY Trading Limited as implied by the Consideration of 17.7 times is higher than the P/B ratios of such Comparable Companies of between 0.3 times and 3.1 times. In addition, as mentioned in Paragraph 5.2 above, upon the completion of the Ntegrator CKLY Acquisition, the NTA of Golden Ultra Group will be reduced to HK\$0 as a result of the Pre-completion Dividend Payout to the Golden Ultra Vendor.

5.4 Assessment of the reasonableness of interest rate of the Golden Ultra Promissory Notes

As mentioned in Paragraph 4.3 of this IFA Letter, interest shall accrue on the Principal Amount of the Golden Ultra Promissory Note or any part thereof that remains outstanding from the date on which the Golden Ultra Promissory Note is issued at the rate of 8% per annum, payable annually in arrears for as long as the Principal Amount or any part thereof remains outstanding. We understand from the Management that the interest rate of 8% per annum for the Golden Ultra Promissory Note was agreed upon having referenced to the prevailing interest rate on judgement debts in Hong Kong and note that the Board had considered other financing options available in the market but none of the financing options considered were suitable for the Company as compared to the Golden Ultra Promissory Note, given the Company's prevailing relatively small market capitalisation.

As at the Latest Practicable Date, the respective average prime lending rate (which represents the interest rate that commercial banks charge their most creditworthy customers) of the local banks in Singapore and Hong Kong were 5.7% and 5.0%, respectively. As the Golden Ultra Promissory Note is unsecured and not backed by any corporate guarantee, we have also considered the average interest rates that is quoted on the website of one of the leading SME digital financing platforms in Singapore for unsecured corporate loans, which ranges from 9% to 16% per annum depending on the assessed credit scoring of the borrower.

Based on the above considerations, we are of the view that the interest rate of 8% per annum for the Golden Ultra Promissory Note, which is on an unsecured basis, is reasonable taking into account: (i) the prevailing market interest rates for unsecured corporate loans; and (ii) the interest rates of the Group's outstanding financial liabilities (which are all on unsecured basis) as at 30 June 2021 of between 2.5% to 8.0% per annum and the weighted average effective interest rate of approximately 4.95% per annum.

5.5 Other Relevant Considerations

5.5.1 Financial effects of the Proposed Acquisition of Golden Ultra

The *pro forma* financial effects of the Proposed Acquisition of Golden Ultra on the NTA per Share and the loss per Share ("LPS") of the Group are set out in Paragraph 3.10 of the Circular and have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

The financial effects are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group following completion of the Proposed Acquisition of Golden Ultra.

In summary, we note the following financial effects of the Proposed Acquisition of Golden Ultra based on the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 1,566,508,714 shares as at the date of the Circular:

- (a) the Group's NTA per Share as at 31 December 2020 remains at 0.57 Singapore cents after the Proposed Acquisition of Golden Ultra and after the Adjusted Proposed Acquisition (as defined herein);
- (b) the Group's net loss for the financial year ended 31 December 2020 would increase from S\$5.03 million before the Proposed Acquisition of Golden Ultra to S\$5.92 million after the Proposed Acquisition of Golden Ultra or S\$6.06 million after the Proposed Acquisition of Golden Ultra and as adjusted for (i) repayment of loans by Mr. Heilesen and his associates to the Golden Ultra Group, (ii) payment of the Pre-completion Dividend Payout to Mr. Heilesen and (iii) interest payable in relation to the Golden Ultra Promissory Note ("**Adjusted Proposed Acquisition**"); and

- (c) the Group's loss per Share would increase from 0.32 Singapore cents before the Proposed Acquisition of Golden Ultra to 0.38 Singapore cents after the Proposed Acquisition or 0.39 Singapore cents after the Adjusted Proposed Acquisition.

5.5.2 Avenue for quick entry into watch retailing business

In addition to the Company's rationale and benefits for the Proposed Acquisition of Golden Ultra as set out in Paragraph 5.1 of this IFA Letter, we note from the Proposed Acquisition of Golden Ultra provides another avenue of growth for the Company and saves time and cost for the Company to acquire Golden Ultra Group with a profitable track record as new projects and businesses developed by the Company will take time, management resources and significant costs to setup. The Company also believes that the existing office and setup of CKLY Trading Limited will also speed up the Company's expansion efforts into Hong Kong.

5.5.3 Interested Persons abstaining from voting

As set out in Paragraph 9 of the Circular, pursuant to Rule 919 of the Catalist Rules, Mr. Heilesen will abstain, and has undertaken to ensure that his associates will abstain, from voting on the ordinary resolution in relation to the Proposed Acquisition of Golden Ultra at the EGM. Accordingly, the Proposed Acquisition of Golden Ultra would be subject entirely to the approval of the Minority Shareholders.

6. OPINION

In arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed Acquisition of Golden Ultra. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key considerations which we consider to be pertinent to our assessment of the Proposed Acquisition of Golden Ultra:

- (a) the rationale and benefits for the Proposed Acquisition of Golden Ultra, details of which are set out in Paragraph 5.1 of this IFA Letter;
- (b) the analysis of the historical financial performance and financial condition of CKLY Trading Limited, details of which are set out in Paragraph 5.2 of this IFA Letter;
- (c) assessment of the fairness of the Maximum Consideration for the Proposed Acquisition of Golden Ultra, details of which are set out in Paragraph 5.3 of this IFA Letter. In this regard, it is noted that the Maximum Consideration represents a premium of HK\$33.9 million (or approximately 44.5%) to the market value attributable to the Golden Ultra Sale Shares with reference to the independent valuation of CKYL Trading Limited. It is further noted that in arriving at the Maximum Consideration, apart from the Valuation Report, the Directors have also taken into account various non-quantitative factors as set out in Paragraph 5.3.1 of this IFA Letter;
- (d) assessment of the reasonableness of interest rate of the Golden Ultra Promissory Notes, details of which are set out in Paragraph 5.4 of this IFA Letter; and
- (e) other relevant considerations, details of which are set out in Paragraph 5.5 of this IFA Letter, which relates to our assessment on the Proposed Acquisition of Golden Ultra.

Having regard to the foregoing considerations as set out above and information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the Proposed Acquisition of Golden Ultra is not on normal commercial terms and may be prejudicial to the interests of the Company and its Minority Shareholders, taking into consideration in particular that the Consideration for the Proposed Acquisition of Golden Ultra is at a 44.5% premium to the market value attributable to the Golden Ultra Sale Shares based on the Valuation Report and that the NTA of Golden Ultra Group will be reduced to HK\$0 upon the

completion of the Proposed Acquisition of Golden Ultra and the payment of the Pre-completion Dividend Payout.

Our opinions are prepared as required under Chapter 9 of the Catalist Rules as well as addressed to the Recommending Directors in connection with their consideration of the Proposed Acquisition of Golden Ultra and their advice to the Shareholders arising thereof. The recommendations made by the Recommending Directors to the Shareholders shall remain the responsibility of the Recommending Directors.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors, nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purposes of the forthcoming Extraordinary General Meeting and for the purpose of the Proposed Acquisition of Golden Ultra.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,

For and on behalf of
W Capital Markets Pte. Ltd.

Foo Say Nam
Partner
Head of Advisory

Alicia Chang
Vice President
Corporate Finance

APPENDIX D ALTERNATIVE ARRANGEMENTS

Shareholders may electronically access the EGM proceedings and observe and/or listen to the live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers, submit comments, queries and/or questions to the Chairman of the Meeting in advance of the EGM and submit Proxy Forms to appoint the Chairman of the Meeting to attend, speak and vote on his/her/its behalf at the EGM.

To do so, Shareholders will need to complete the relevant steps below.

Steps	Details
<p>Submission of comments, queries and/or questions in advance of the EGM</p>	<p>Shareholders will not be able to comment, raise queries and/or ask questions at the EGM during the live audio-visual webcast or live audio-only stream. It is therefore important for Shareholders to submit comments, queries and/or questions to the Chairman of the Meeting in advance of the EGM and the Virtual Information Session. Shareholders may also attend the Virtual Information Session comment, raise queries and/or ask questions at the Virtual Information Session.</p> <p>Submission of comments, queries and/or questions. Shareholders may submit comments, queries and/or questions related to the resolutions in the Notice of EGM to the Chairman of the Meeting in advance of the EGM in the following manner:</p> <p>(a) By post – Shareholders may submit their comments, queries and/or questions by post to the Company’s Share Registrar, KCK Corpserve Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621. Comments, queries and/or questions submitted by Shareholders by post must be accompanied by the Shareholders’ full name, address and the manner in which the Shareholder holds Shares in the Company.</p> <p>(b) By electronic means – Shareholders, who have pre-registered registered for the live audio-visual webcast or live audio-only stream, may submit their comments, queries and/or questions by electronic means at the URL https://complete-corp.com/incredible-egm/.</p> <p>Deadline to submit comments, queries and/or questions. Shareholders must submit all comments, queries and/or questions by 12.00 p.m. on Saturday, 19 February 2022.</p> <p>Addressing comments, queries and/or questions The Company will endeavour to address all substantial and relevant comments, queries and/or questions received from Shareholders at the Virtual Information Session and before the EGM. The Company will publish its responses to comments, queries and/or questions on the Company’s website at the URL www.incredible.sg and on SGXNET at the URL https://www.sgx.com/securities/company-announcements on Wednesday, 23 February 2022.</p> <p>Minutes of EGM. The Company will publish the minutes of EGM on the Company’s website at the URL https://www.ntegrator.com/announcements/ and on SGXNET at the URL https://www.sgx.com/securities/company-announcements within one (1) month after the EGM. The minutes of EGM will include responses from the Board and the management to substantial and relevant comments, queries and/or questions received from</p>

**APPENDIX D
ALTERNATIVE ARRANGEMENTS**

Steps	Details
	Shareholders addressed at the Virtual Information Session and the EGM during the live audio-visual webcast or live audio-only stream.
Pre-registration for the Virtual Information Session	<p>Shareholders must pre-register at the URL https://complete-corp.com/ntegrator-egm/ from 11 February 2022 until 12.00 p.m. on Saturday, 19 February 2022 to enable the Company's Share Registrar, KCK Corpserve Pte Ltd, to verify their status as Shareholders of the Company.</p> <p>Following the verification, authenticated Shareholders will receive an email by 12.00 p.m. on Sunday, 20 February 2022 which will contain the user ID and password details as well as the URL to access the Virtual Information Session (the "VIS Confirmation Email").</p> <p>Shareholders who have pre-registered for the Virtual Information Session but who have not received the VIS Confirmation Email by 12.00 p.m. on Sunday, 20 February 2022, should contact the Company at nil-egm@kckcs.com.sg.</p>
Pre-registration for the live audio-visual webcast or live audio-only stream for the EGM	<p>Shareholders must pre-register at the URL https://complete-corp.com/ntegrator-egm/ from 11 February 2022 until 12.00 p.m. on Tuesday, 1 March 2022 to enable the Company's Share Registrar, KCK Corpserve Pte. Ltd., to verify their status as Shareholders of the Company.</p> <p>Following the verification, authenticated Shareholders will receive an email by 12.00 p.m. on Thursday, 3 March 2022 which will contain the user ID and password details as well as the URL to access the live audio-visual webcast or the toll-free telephone number to access the live audio-only stream (the "Confirmation Email").</p> <p>Shareholders, who have pre-registered for the live audio-visual webcast or live audio-only stream but who have not received the Confirmation Email by 12.00 p.m. on Thursday, 3 March 2022, should contact the Company at nil-egm@kckcs.com.sg.</p>
Submission of comments, queries and/or questions in advance of the EGM	<p>Shareholders will not be able to comment, raise queries and/or ask questions at the EGM during the live audio-visual webcast or live audio-only stream. It is therefore important for Shareholders to submit comments, queries and/or questions to the Chairman of the Meeting in advance of the EGM.</p> <p>Submission of comments, queries and/or questions. Shareholders may submit comments, queries and/or questions related to the resolutions in the Notice of EGM to the Chairman of the Meeting in advance of the EGM in the following manner:</p> <p>(c) By post – Shareholders may submit their comments, queries and/or questions by post to the Company's Share Registrar, KCK Corpserve Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621. Comments, queries and/or questions submitted by Shareholders by post must be accompanied by the Shareholders' full name, address and the manner in which the Shareholder holds Shares in the Company.</p> <p>(d) By electronic means – Shareholders, who have pre-registered registered for the live audio-visual webcast or live audio-only stream, may submit their comments, queries and/or questions by</p>

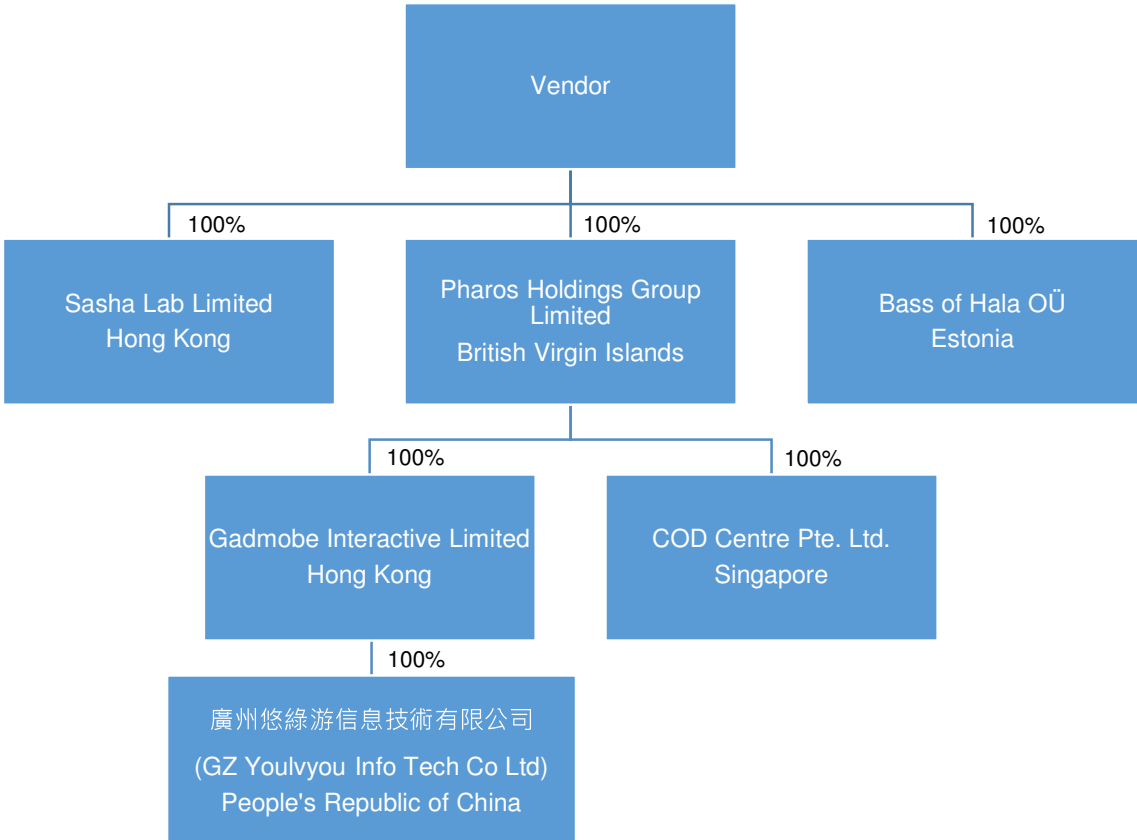
**APPENDIX D
ALTERNATIVE ARRANGEMENTS**

Steps	Details
	<p>electronic means at the URL https://complete-corp.com/nintegrator-egm/.</p> <p>Deadline to submit comments, queries and/or questions. Shareholders must submit all comments, queries and/or questions by 12.00 p.m. on Saturday, 19 February 2022.</p> <p>Addressing comments, queries and/or questions. The Company will endeavour to address all substantial and relevant comments, queries and/or questions relating to the resolutions to be tabled for approval at the EGM received from Shareholders before the EGM. The Company will publish its responses to comments, queries and/or questions on the Company's website at the URL https://www.nintegrator.com/announcements/ and on SGXNET at the URL https://www.sgx.com/securities/company-announcements on Wednesday, 23 February 2022.</p> <p>Minutes of EGM. The Company will publish the minutes of EGM on the Company's website at the URL https://www.nintegrator.com/announcements/ and on SGXNET at the URL https://www.sgx.com/securities/company-announcements within one (1) month after the EGM. The minutes of EGM will include responses from the Board and the management to substantial and relevant comments, queries and/or questions received from Shareholders addressed at the EGM during the live audio-visual webcast or live audio-only stream.</p>
Submission of Proxy Forms to appoint the Chairman of the Meeting to attend, speak and vote at the EGM	<p>Appointment of Chairman of the Meeting as proxy. A Shareholder (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM in accordance with the instructions on the Proxy Form if such Shareholder wishes to exercise his/her/its voting rights at the EGM.</p> <p>Specific instructions as to voting must be given. Where a Shareholder (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.</p> <p>Submission of Proxy Forms. The Proxy Form must be submitted to the Company in the following manner:</p> <p>(a) if submitted by post, be lodged with the Company's Share Registrar, KCK Corpserve Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621; or</p> <p>(b) if submitted by way of electronic means, be submitted via email to the Company at nil-egm@kckcs.com.sg,</p> <p>in either case, by 12.00 p.m. on Tuesday, 1 March 2022.</p> <p>A Shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above.</p>

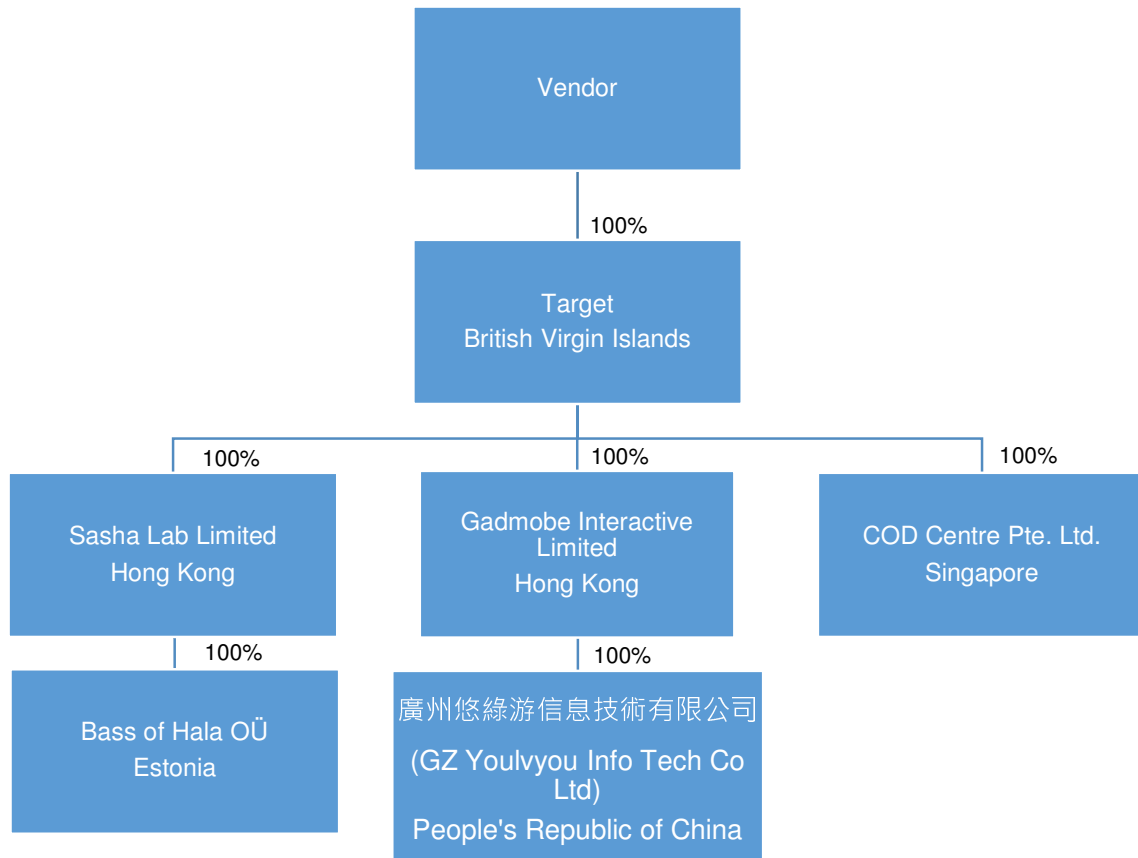
APPENDIX D
ALTERNATIVE ARRANGEMENTS

Steps	Details
	In view of the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe distancing measures in Singapore, Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.

APPENDIX E
CORPORATE STRUCTURE AS AT THE DATE OF THE GADMOBE GROUP
ANNOUNCEMENT



APPENDIX F
CORPORATE STRUCTURE AFTER COMPLETION OF THE RESTRUCTURING
EXERCISE



NOTICE OF EXTRAORDINARY GENERAL MEETING

Ntegrator International Ltd.

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

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of **Ntegrator International Ltd.** (the “**Company**”) will be held by way of electronic means on 4 March 2022 at 12.00 p.m. (Singapore Time) for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolutions:

*All capitalised terms used in this notice of EGM which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 10 February 2022 (the “**Circular**”) in relation to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmob Group, the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra the Proposed Change of Name of the Company.*

Ordinary Resolution 1: The Proposed Acquisition of 85% of the Issued Share Capital of Gadmob Group

That:

- (a) the acquisition of 85 shares in the Gadmob Group Target, representing 85% of the entire issued and paid-up share capital of the Gadmob Group Target, through Cyber Sail Global Limited (the “**Proposed Acquisition of 85% of the Issued Share Capital of Gadmob Group**”), as a “major transaction” under Chapter 10 of the Catalist Rules and as set out in **Section 2** of the Circular be and is hereby approved; and
- (b) the Directors and/or any of them be and are hereby authorised and empowered to approve, complete and do all such acts and things (including approving, modifying, ratifying, signing, sealing, executing and delivering all such agreements, contracts, documents, notices, deeds or instruments as may be required) as they and/or he may consider expedient, desirable or necessary or in the interests of the Company to give effect to the matters considered in this Ordinary Resolution.

Ordinary Resolution 2: The Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra

That:

- (a) the acquisition of 550 ordinary shares in Golden Ultra Limited (“**Golden Ultra**”), representing 55% of the issued share capital of Golden Ultra (the “**Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra**”) as an “interested person transaction” under Chapter 9 of the Catalist Rules, as a “major transaction” under Chapter 10 of the Catalist Rules and as set out in **Section 3** of the Circular be and is hereby approved; and
- (b) the Directors and/or any of them be and are hereby authorised and empowered to approve, complete and do all such acts and things (including approving, modifying, ratifying, signing, sealing, executing and delivering all such agreements, contracts, documents, notices, deeds or instruments as may be required) as they and/or he may consider expedient, desirable or necessary or in the interests of the Company to give effect to the matters considered in this Ordinary Resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Special Resolution 1: The Proposed Change of Name of the Company

That:

- (a) the Proposed Change of Name of the Company from “Ntegrator International Ltd.” to “Watches.com Limited” be and is hereby approved and confirmed;
- (b) the adoption of “Watches.com Limited” as the Company’s new name and the replacement of all references to “Ntegrator International Ltd.” with the name “Watches.com Limited” wherever such references appear in the Company’s Constitution be and is hereby approved and confirmed; and
- (c) the Directors and/or any of them be and are hereby authorised and empowered to approve, complete and do all such acts and things (including approving, modifying, ratifying, signing, sealing, executing and delivering all such agreements, contracts, documents, notices, deeds or instruments as may be required) as they and/or he may consider expedient, desirable or necessary or in the interests of the Company to give effect to the matters considered in this Special Resolution 1.

By Order of the Board of Directors of
Ntegrator International Ltd.

Chay Yiowmin
Independent Non-Executive Chairman
10 February 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM will be held by way of electronic means on 4 March 2022 at 12.00 p.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolutions relating to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and the Special Resolution relating to the Proposed Change of Name of the Company.
2. Printed copies of this Notice of EGM, the Circular and the Proxy Form will not be sent to Shareholders. Instead, this Notice of EGM, the Circular and the Proxy Form may be accessed at the Company's website at the URL <https://www.ntegrator.com/announcements/>. This Notice of EGM, the Circular and the Proxy Form are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Alternative arrangements relating to attendance at a Virtual Information Session and at the EGM via electronic means (including arrangements by which the EGM proceedings may be electronically accessed via live audio-visual webcast or live audio-only stream), submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the Virtual information Session and the EGM, addressing of substantial and relevant comments, queries and/or questions relating to the resolutions to be tabled for approval at the EGM before the EGM and voting by appointing the Chairman of the Meeting as proxy at the EGM, are set out in **Section 12** of the Circular.
4. **Due to the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe distancing measures in Singapore, the EGM will be held by way of electronic means and Shareholders will not be able to attend the EGM in person. A Shareholder (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM in accordance with the instructions on the Proxy Form if such Shareholder wishes to exercise his/her/its voting rights at the EGM.** The Proxy Form may be accessed at the Company's website at the URL <https://www.ntegrator.com/announcements/> and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a Shareholder (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
5. The Chairman of the Meeting, acting as proxy, need not be a Shareholder of the Company.
6. Investors holding shares through Relevant Intermediaries (including CPF and SRS investors) will not be able to pre-register for the live audio-visual webcast or live audio-only stream directly with the Company. Such investors who wish to participate in the live audio-visual webcast or live audio-only stream (including pre-submission of questions) should approach their Relevant Intermediaries as soon as possible in order to make the necessary arrangements. A Relevant Intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number), via email to the Company at nil-egm@kckcs.com.sg no later than 12.00 p.m. on 23 February 2022, being at least seven (7) working days prior to the date of the EGM.
7. The Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's Share Registrar, KCK Corpserve Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621; or
 - (b) if submitted by way of electronic means, be submitted via email to the Company at nil-egm@kckcs.com.sg,
in either case, by 12.00 p.m. on Tuesday, 1 March 2022. A Shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **In view of the current COVID-19 advisories issued by the relevant authorities and the related safe distancing measures in Singapore, Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**

Personal Data Privacy:

By submitting the Proxy Form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the EGM and/or any adjournment thereof, and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM and/or any adjournment thereof, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

PROXY FORM

Netegrator International Ltd.

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

I/We* _____ (Name) _____ (NRIC / Passport / Company Registration Number*)
of _____ (Address)

being a Shareholder of **Netegrator International Ltd.** (the "**Company**"), hereby appoint the Chairman of the Meeting as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf at the EGM to be held by way of electronic means on 4 March 2022 at 12.00 p.m.(Singapore Time) and at any adjournment thereof.

I/We* direct the Chairman of the Meeting to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. **If no specific direction as to voting, or abstentions from voting, is given in respect of the Ordinary Resolutions and the Special Resolution, the appointment of the Chairman of the Meeting as proxy for the Ordinary Resolutions and the Special Resolution shall be treated as invalid.** The Ordinary Resolutions and the Special Resolution will be put to vote at the EGM by way of poll.

Ordinary Resolution	Number of Votes For [#]	Number of Votes Against [#]	Number of Votes Abstained [^]
1. To approve the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group			
2. To approve the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra			
Special Resolution			
1. To approve the Proposed Change of Name of the Company			

* Delete as appropriate.

[#] If you wish to exercise all your votes "For" or "Against", please indicate so with a [√] within the box provided. Alternatively, please indicate the number of votes as appropriate.

[^] If you wish the Chairman of the EGM as your proxy to abstain from voting a resolution, please tick [√] within the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes that the Chairman of the EGM as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution.

Dated this _____ day of _____ 2022.

Total number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature or Common Seal of Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



PROXY FORM

Notes:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM will be held by way of electronic means on 4 March 2022 at 12.00 p.m. (Singapore Time) for the purpose of considering and if thought fit, passing, with or without any modification, the Ordinary Resolutions relating to the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobe Group and the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra and the Special Resolution relating to Proposed Change of Name of the Company.
2. Printed copies of the Notice of EGM, the Circular and this Proxy Form will not be sent to Shareholders. Instead, the Notice of EGM, the Circular and this Proxy Form may be accessed at the Company's website at the URL <https://www.ntegrator.com/announcements/>. The Notice of EGM, the Circular and this Proxy Form are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. Alternative arrangements relating to attendance at a Virtual Information Session and at the EGM via electronic means (including arrangements by which the EGM proceedings may be electronically accessed via live audio-visual webcast or live audio-only stream), submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the Virtual information Session and the EGM, addressing of substantial and relevant comments, queries and/or questions relating to the resolutions to be tabled for approval at the EGM before the EGM and voting by appointing the Chairman of the Meeting as proxy at the EGM, are set out in **Section 12** of the Circular.
4. **Due to the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe distancing measures in Singapore, the EGM will be held by way of electronic means and Shareholders will not be able to attend the EGM in person. A Shareholder (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM in accordance with the instructions on the Proxy Form if such Shareholder wishes to exercise his/her/its voting rights at the EGM.** This Proxy Form may be accessed at the Company's website at the URL <https://www.ntegrator.com/announcements/> and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a Shareholder (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in this Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
5. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.
6. The Chairman of the Meeting, acting as proxy, need not be a Shareholder of the Company.
7. Investors holding shares through Relevant Intermediaries (including CPF and SRS investors) will not be able to pre-register for the live audio-visual webcast or live audio-only stream directly with the Company. Such investors who wish to participate in the live audio-visual webcast or live audio-only stream (including pre-submission of questions) should approach their Relevant Intermediaries as soon as possible in order to make the necessary arrangements. A Relevant Intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number), via email to the Company at nil-egm@kckcs.com.sg no later than 12.00 p.m. on 23 February 2022, being at least seven (7) working days prior to the date of the EGM.
8. This Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's Share Registrar, KCK Corpserve Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621; or
 - (b) if submitted by way of electronic means, be submitted via email to the Company at nil-egm@kckcs.com.sg,
in either case, by 12.00p.m. on Tuesday, 1 March 2022. A Shareholder who wishes to submit this Proxy Form must first download, complete and sign this Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **In view of the current COVID-19 advisories issued by the relevant authorities and the related safe distancing measures in Singapore, Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**
9. Where this Proxy Form is executed by an individual, it must be executed under the hand of the individual or his/her attorney duly authorised. Where this Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

General:

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject a Proxy Form if the Shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time fixed for holding the EGM, as certified by the CDP to the Company. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend, speak and vote at the EGM unless his name appears on the Depository Register 72 hours before the time fixed for holding the EGM.

Personal data privacy:

PROXY FORM

By submitting the Proxy Form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the EGM and/or any adjournment thereof, and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM and/or any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.