



**Condensed Interim Financial Statements
For the six months and full year ended 31 December 2021**

**Negrator International Ltd and its subsidiaries
Incorporated in the Republic of Singapore
Company Registration Number – 199904281D**



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A. Condensed interim consolidated statement of profit and loss and other comprehensive income

		The Group					
		6 months ended 31 December			12 months ended 31 December		
		2021	2020	+ / (-)	2021	2020	+ / (-)
Note		\$'000	\$'000	%	\$'000	\$'000	%
	Revenue	14,178	10,390	36.5%	25,695	23,102	11.2%
	Cost of sales	(12,323)	(10,776)	14.4%	(20,190)	(21,178)	(4.7%)
	Gross profit	1,855	(386)	(580.6%)	5,505	1,924	186.1%
	Other gains - net	441	1,820	(75.8%)	1,346	2,878	(53.2%)
	Distribution and marketing expenses	(6)	(19)	(68.4%)	(24)	(118)	(79.7%)
	Administrative expenses	(4,676)	(4,562)	2.5%	(9,198)	(9,056)	1.6%
	Finance expense	(261)	(340)	(23.2%)	(549)	(660)	(16.8%)
	Loss before income tax	(2,647)	(3,487)	(24.1%)	(2,920)	(5,032)	(42.0%)
	Income tax expense			N.M.	-	-	N.M.
	Net loss	(2,647)	(3,487)	(24.1%)	(2,920)	(5,032)	(42.0%)
	Other comprehensive loss, net of tax:						
	Items that may be reclassified subsequently to profit or loss:						
	Currency translation differences arising from consolidation						
	- Losses		(372)	(100.0%)	-	-	N.M.
	Total comprehensive loss	(2,647)	(3,859)	(31.4%)	(2,920)	(5,032)	(42.0%)
	Loss attributable to:						
	Equity holders of the Company	(2,483)	(1,970)	26.0%	(2,371)	(2,765)	(14.2%)
	Non-controlling interests	(164)	(1,517)	(89.2%)	(549)	(2,267)	(75.8%)
		(2,647)	(3,487)	(24.1%)	(2,920)	(5,032)	(42.0%)
	Total comprehensive loss attributable to:						
	Equity holders of the Company	(2,483)	(2,342)	6.0%	(2,371)	(2,765)	(14.2%)
	Non-controlling interests	(164)	(1,517)	(89.2%)	(549)	(2,267)	(75.8%)
		(2,647)	(3,859)	(31.4%)	(2,920)	(5,032)	(42.0%)
	Earnings/ (loss) per share for profit/ (loss) attributable to equity holders of the Company (cents per share):						
	Basic	(0.21)	(0.18)		(0.20)	(0.26)	
	Diluted	(0.15)	(0.18)		(0.16)	(0.26)	

N.M. – Not meaningful

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents		4,963	8,319	1,245	189
Trade and other receivables		19,796	19,655	8,387	7,859
Inventories		315	289	-	-
		<u>25,074</u>	<u>28,263</u>	<u>9,632</u>	<u>8,048</u>
Non-current assets					
Investments in subsidiary corporations		-	-	18,000	18,000
Property, plant and equipment	10	454	703	-	-
Right-of-use assets		1,632	986	-	-
Deferred income tax assets		778	763	-	-
		<u>2,864</u>	<u>2,452</u>	<u>18,000</u>	<u>18,000</u>
Total assets		<u>27,938</u>	<u>30,715</u>	<u>27,632</u>	<u>26,048</u>
LIABILITIES					
Current liabilities					
Trade and other payables		5,446	6,021	527	449
Borrowings	11	11,977	15,493	-	-
		<u>17,423</u>	<u>21,514</u>	<u>527</u>	<u>449</u>
Non-current liabilities					
Borrowings	11	647	200	-	-
		<u>647</u>	<u>200</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>18,070</u>	<u>21,714</u>	<u>527</u>	<u>449</u>
NET ASSETS		<u>9,868</u>	<u>9,001</u>	<u>27,105</u>	<u>25,599</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	12	29,948	26,161	29,948	26,161
Treasury shares	12	(11)	(11)	(11)	(11)
Other reserves		-	-	-	-
Accumulated losses		(15,657)	(13,286)	(2,832)	(551)
		<u>14,280</u>	<u>12,864</u>	<u>27,105</u>	<u>25,599</u>
Non-controlling interests		(4,412)	(3,863)	-	-
Total equity		<u>9,868</u>	<u>9,001</u>	<u>27,105</u>	<u>25,599</u>

C. Condensed interim statements of changes in equity

The Group	← Attributable to owners of the Company →				Total	Non-controlling interests	Total equity
	Share capital	Treasury Shares	Currency Translation reserve	Accumulated losses			
	\$'000	\$'000	\$'000	\$'000			
2021							
Beginning of financial year	26,161	(11)	-	(13,286)	12,864	(3,863)	9,001
Issuance of share capital	3,787	-	-	-	3,787	-	3,787
Total comprehensive loss for the period	-	-	-	(2,371)	(2,371)	(549)	(2,920)
Balance as at 31 December 2021	29,948	(11)	-	(15,657)	14,280	(4,412)	9,868
2020							
Beginning of financial year	26,161	(11)	(840)	(9,681)	15,629	(1,596)	14,033
Total comprehensive loss for the financial year	-	-	-	(2,765)	(2,765)	(2,267)	(5,032)
Reclassification	-	-	840	(840)	-	-	-
Balance as at 31 December 2020	26,161	(11)	-	(13,286)	12,864	(3,863)	9,001



C. Condensed interim statements of changes in equity (cont'd)

The Company

2021

Beginning of financial year

Issuance of share capital

Total comprehensive loss for the financial year

Balance as at 31 December 2021

2020

Beginning of financial year

Total comprehensive loss for the financial year

Balance as at 31 December 2020

	Share capital	Treasury shares	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	26,161	(11)	(551)	25,599
Issuance of share capital	3,787	-	-	3,787
Total comprehensive loss for the financial year	-	-	(2,281)	(2,281)
Balance as at 31 December 2021	29,948	(11)	(2,832)	27,105
Beginning of financial year	26,161	(11)	(838)	25,312
Total comprehensive loss for the financial year	-	-	287	287
Balance as at 31 December 2020	26,161	(11)	(551)	25,599

D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		12 months ended 31 December	
		2021	2020
		\$'000	\$'000
Cash flows from operating activities			
Net loss		(2,920)	(5,032)
Adjustments for:			
- Depreciation of property, plant and equipment		439	384
- Depreciation of right-of-use assets		893	1,016
- Impairment loss on financial assets		-	-
- Loss on disposal of property, plant and equipment		5	1
- Property, plant and equipment written-off		-	1
- Interest expense		549	660
- Unrealised currency translation loss		128	(300)
		<u>(906)</u>	<u>(3,270)</u>
Change in working capital:			
- Inventories		(26)	83
- Trade and other receivables		(141)	10,159
- Trade and other payables		(910)	(3,551)
Net cash (used in)/ provided by operating activities		<u>(1,983)</u>	<u>3,421</u>
Cash flows from investing activities			
Additions to property, plant and equipment		(110)	(198)
Prepayment of leases		(295)	(100)
Net cash used in investing activities		<u>(405)</u>	<u>(298)</u>
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		3,787	-
Bank deposits discharged/(pledged)		132	(263)
Proceeds from borrowings		-	6,290
Repayment of borrowings		(2,942)	-
Repayment of lease liabilities		(586)	(1,075)
Interest paid		(214)	(203)
Net cash provided by financing activities		<u>177</u>	<u>4,749</u>
Net (decrease)/ increase in cash and cash equivalents		<u>(2,211)</u>	<u>7,872</u>
Cash and cash equivalents			
Beginning of financial year		413	(7,486)
Effects of currency translation on cash and cash equivalents		14	27
End of financial period		<u>(1,784)</u>	<u>413</u>

D. Condensed interim consolidated statement of cash flows (cont'd)

Notes to the consolidated statement of cash flows

Cash and cash equivalents included in the consolidated statement of cash flows consist of the following: -

	The Group	
	2021	2020
	\$'000	\$'000
Cash and bank balances of the Group	4,963	8,319
Less: Bank deposits pledged	(131)	(263)
Less: Bank overdraft	(6,616)	(7,643)
Cash and cash equivalents per consolidated statement of cash flows	(1,784)	413

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Ntegrator International Ltd. (the "Company") is listed on the Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. These condensed interim consolidated financial statements for the six months and full year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding. The principal activities of the Group are:

- (a) To provide system integration services of voice, video and data communication networks and building construction cable/civil works for underground road and inbuilding
- (b) To provide building construction New Engineering Contracts (fiber patching, splicing, installation and maintenance)
- (c) Retailing and 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.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

Other than the adoption of the amended standards as set out in Note 2.1, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2020, which were in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

The accounting policies applied by the Group for these interim financial statements are the same as those applied in the previous financial year, which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of the new/revised SFRS(I)s that are effective for the annual period beginning on 1 January 2021. The adoption of these new/revised SFRS(I) pronouncements do not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into three operating segments – Project sales, Project management and maintenance services and Retail.

Project sales segment engages in integration of network infrastructure that enable the customers to communicate electronically within an organisation or with another organisation whether located in the same country or globally. It also provides the customers with seamless integration of a wide variety of voice and data signals used in large institutional telecom applications.

Project management and maintenance services segment provides installation and implementation services of the network infrastructure or voice communication systems that have been purchased by the customers from the Group's principals, and maintenance and support services mainly for the network infrastructure and voice communication systems.

Retail segment provides for the retailing and 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.

4.1 Operating segments

1 January 2021 to 31 December
 2021

	Project Sales	Project Management and Maintenance Services	Retail	Total
	\$'000	\$'000		\$'000
Segment Revenue				
Revenue to external parties	3,040	19,527	3,128	25,695
Segment results	944	4,490	71	5,505
Other gains - net				1,346
Unallocated expenses				
- Distribution and marketing expenses				(24)
- Administrative expenses				(9,198)
- Finance expense				(549)
Loss before income tax				(2,920)
Income tax expense				-
Net loss				(2,920)
Segment assets	14,758	633	3,214	18,605
Unallocated assets				9,333
Total assets				27,938
Segment liabilities	1,452	978	549	2,979
Unallocated liabilities				15,091
Total liabilities				18,070

1 January 2020 to 31 December
 2020

	Project Sales	Project Management and Maintenance Services	Retail	Total
	\$'000	\$'000		\$'000
Segment Revenue				
Revenue to external parties	7,186	15,916	-	23,102
Segment results	1,589	335	-	1,924
Other gains - net				2,878
Unallocated expenses				
- Distribution and marketing expenses				(118)
- Administrative expenses				(9,056)
- Finance expense				(660)
Loss before income tax				(5,032)
Income tax expense				-
Net loss				(5,032)
Segment assets	18,265	424	-	18,689
Unallocated assets				12,026
Total assets				30,715
Segment liabilities	1,919	725	-	2,644
Unallocated liabilities				19,070
Total liabilities				21,714

4.1 Operating segments

1 July 2021 to 31 December 2021

	Project Management and Maintenance			Total
	Project Sales	Services	Retail	
	\$'000	\$'000		\$'000
Segment Revenue				
Revenue to external parties	1,729	9,321	3,128	14,178
Segment results	391	1,393	71	1,855
Other gains - net				441
Unallocated expenses				
- Distribution and marketing expenses				(6)
- Administrative expenses				(4,676)
- Finance expense				(261)
Loss before income tax				(2,647)
Income tax expense				-
Net loss				(2,647)
Segment assets	14,758	633	3,214	18,605
Unallocated assets				9,333
Total assets				27,938
Segment liabilities	1,452	978	549	2,979
Unallocated liabilities				15,091
Total liabilities				18,070

1 July 2020 to 31 December 2020

	Project Management and Maintenance			Total
	Project Sales	Services		
	\$'000	\$'000		\$'000
Segment Revenue				
Revenue to external parties	3,658	6,732		10,390
Segment results	975	(1,361)		(386)
Other gains - net				1,820
Unallocated expenses				
- Distribution and marketing expenses				(19)
- Administrative expenses				(4,562)
- Finance expense				(340)
Loss before income tax				(3,487)
Income tax expense				-
Net loss				(3,487)
Segment assets	18,265	424		18,689
Unallocated assets				12,026
Total assets				30,715
Segment liabilities	1,919	725		2,644
Unallocated liabilities				19,070
Total liabilities				21,714

4.2 Geographical segments

Group Revenue	\$'000	\$'000	%
	FY2021	FY2020	Increase/ (Decrease)
Singapore	22,335	20,876	7.0%
Myanmar	232	1,412	(83.6%)
Vietnam	-	646	(100.0%)
Others	-	168	(100.0%)
Hong Kong	3,128	-	100.0%
Total	25,695	23,102	11.2%

4.3 Disaggregation of revenue

1 July 2021 to 31 December 2021

	The Group 6 months ended 31 December 2021			
	Project Management and Maintenance Services			Total
	Project sales \$'000	\$'000	Retail \$'000	\$'000
Timing of revenue				
At a point in time	1,729	8,080	3,128	12,937
Over time	-	1,241	-	1,241
Total revenue	1,729	9,321	3,128	14,178

1 July 2020 to 31 December 2020

The Group
6 months ended 31 December 2020

	Project Management and Maintenance Services		Retail		Total
	Project sales		Retail		
	\$'000	\$'000	\$'000	\$'000	
Timing of revenue					
At a point in time	3,658	5,694	-		9,352
Over time	-	1,038	-		1,038
Total revenue	3,658	6,732	-		10,390

1 January 2021 to 31 December 2021

The Group
12 months ended 31 December 2021

	Project Management and Maintenance Services		Retail		Total
	Project sales		Retail		
	\$'000	\$'000	\$'000	\$'000	
Timing of revenue					
At a point in time	3,040	17,038	3,128		23,206
Over time	-	2,489	-		2,489
Total revenue	3,040	19,527	3,128		25,695

4.3 Disaggregation of revenue (cont'd)

1 January 2020 to 31 December 2020

The Group
12 months ended 31 December 2020

	Project Management and Maintenance Services		Retail		Total
	Project sales		Retail		
	\$'000	\$'000	\$'000	\$'000	
Timing of revenue					
At a point in time	7,186	13,746	-		20,932
Over time	-	2,170	-		2,170
Total revenue	7,186	15,916	-		23,102

5. Financial assets and financial liabilities

	The Group		The Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>				
Financial assets, at amortised cost	21,859	25,705	9,556	8,004
	<u>21,859</u>	<u>25,705</u>	<u>9,556</u>	<u>8,004</u>
<u>Financial assets</u>				
Financial liabilities, at amortised cost	17,590	20,597	527	449
	<u>17,590</u>	<u>20,597</u>	<u>527</u>	<u>449</u>

6. Loss before taxation

6.1. Significant items

	The Group	
	6 months ended 31 December	
	2021	2020
	\$'000	\$'000
Expenses		
Depreciation of property, plant and equipment	201	204
Depreciation of right-of-use assets	436	491
	<u>637</u>	<u>695</u>
Other gains – net		
Foreign exchange gains/ (losses) - net	(79)	184
Gain on disposal of property, plant and equipment	10	(6)
Government grants	366	1,580
Miscellaneous income	144	62
	<u>441</u>	<u>1,820</u>

6.1. Significant items (cont'd)

	The Group	
	12 months ended 31 December	
	2021	2020
	\$'000	\$'000
Expenses		
Depreciation of property, plant and equipment	439	384
Depreciation of right-of-use assets	893	1,016
	1,332	1,400
Other gains – net		
Foreign exchange gains - net	223	63
Loss on disposal of property, plant and equipment	(5)	(7)
Government grants	970	2,735
Miscellaneous income	158	87
	1,346	2,878

6.2. Related party transactions

There are no material related party transactions.

7. Taxation

The Group calculates the current financial period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended 31 December	
	2021	2020
	\$'000	\$'000
Current income tax expense	-	-
	12 months ended 31 December	
	2021	2020
	\$'000	\$'000
Current income tax expense	-	-

8. Loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

	The Group			
	6 months ended 31 Dec		12 months ended 31 Dec	
	2021	2020	2021	2020
Net loss attributable to equity holders of the Company (S\$'000)	(2,483)	(1,970)	(2,371)	(2,765)
Based on weighted average number of ordinary shares on issue (cents)	(0.21)	(0.18)	(0.20)	(0.26)
Weighted average number of ordinary shares outstanding	1,162,345,550	1,065,395,234	1,162,345,550	1,065,395,234
Based on fully diluted basis (cents) *	(0.15)	(0.18)	(0.16)	(0.26)
Fully diluted number of ordinary shares	1,598,058,714	1,065,395,234	1,598,058,714	1,065,395,234
Issued share capital at the end of financial period	1,464,458,714	1,065,395,234	1,464,458,714	1,065,395,234

* Dilution is attributable to the assumption that all of the Company's outstanding 133,600,000 warrants as at 31 December 2021 are converted into 133,600,000 ordinary shares of the Company.

9. Net asset value per share

	The Group		The Company	
	As at		As at	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net asset value per ordinary share (cents per share) (S\$)	0.67	0.84	1.85	2.40
Total number of issued shares (excluding treasury shares) as at end of year	1,464,458,714	1,065,646,234	1,464,458,714	1,065,646,234

10. Property, plant and equipment

During the 12 months ended 31 December 2021, the Group acquired assets amounting to \$110,000 (31 December 2020: \$198,000) and disposed of assets amounting to \$47,000 (31 December 2020: \$7,000).

11. Borrowings

	The Group	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	-	-
Unsecured	11,977	15,493
<u>Amount repayable after one year</u>		
Secured	-	-
Unsecured	647	200
	12,624	15,693

12. Share capital

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Issued share capital	Treasury shares
	\$'000	\$'000	\$'000	\$'000
The Group and Company				
At 31 December 2020	1,065,395,234	(251,000)	26,161	(11)
Issuance of share capital	399,063,480	-	3,787	-
At 31 December 2021	1,464,458,714	(251,000)	29,948	(11)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares (except for treasury shares) carry one vote per share and carry a right to dividends as and when declared by the Company.

13. Subsequent Events

Proposed Rights cum Warrants Issue and Share Consolidation

As announced on 31 December 2021:

- (a) the Company is proposing to, in conjunction with and immediately prior to the Rights cum Warrants Issue, undertake a share consolidation of every three (3) existing issued ordinary shares in the capital of the Company held by shareholders of the Company as at a time and date to be determined by the directors into one (1) ordinary share, fractional entitlements to be disregarded (the "**Proposed Share Consolidation**"); and
- (b) subject to and conditional upon the completion of the Proposed Share Consolidation, the Company is proposing to undertake a renounceable non-underwritten rights cum warrants issue on the basis of fifteen (15) Rights Shares for every one (1) Consolidated Share held by shareholders of the Company as at a time and date to be determined by the directors, with two (2) Warrant A, two (2) Warrant B, two (2) Warrant C, two (2) Warrant D and two (2) Warrant E for every fifteen (15) Rights Share subscribed by the shareholder, fractional entitlements to be disregarded, of up to 8,890,293,570 new ordinary shares (post-share consolidation) in the capital of the Company at an issue price of S\$0.01 for each Rights Share, with up to 5,926,862,380 free detachable warrants ("**Warrants**"), every one (1) Warrant, in the form of Warrant A, Warrant B, Warrant C, Warrant D and Warrant E, each granting the holder

thereof the right to subscribe for one (1) new ordinary share in the capital of the Company at their respective exercise prices.

Proposed Subscription and Capital Reduction

As announced on 1 January 2022, the Company will undertake a capital reduction pursuant to Section 78C of the Companies Act and had on 31 December 2021 entered into a subscription agreement with Incredible Holdings Ltd. in relation to, *inter alia*, a proposed subscription of:

- (a) 0% perpetual bonds of an aggregate principal amount of S\$6,900,000;
- (b) 0% perpetual convertible bonds of an aggregate principal amount of S\$2,100,000 which shall, at the option of the holder thereof, be convertible into new ordinary shares in the Issuer at a conversion price of S\$0.004 per conversion share; and
- (c) 1,000,000,000 free warrants, each said warrant shall grant the holder thereof the right to subscribe for one new ordinary share in the Issuer at an exercise price of S\$0.0016.

Proposed Issuance

As announced on 1 January 2022, the Company had on 31 December 2021 entered into a subscription agreement with Incredible Holdings Ltd. in relation to, *inter alia*, a proposed issuance of:

- (a) 0% perpetual convertible bonds of an aggregate principal amount of S\$9,000,000 which shall, at the option of the holder thereof, be convertible into new ordinary shares in the Company at a conversion price of S\$0.003333 per conversion share; and
- (b) 10,000,000,000 free warrants, each said warrant shall grant the holder thereof the right to subscribe for one new ordinary share in the Company at an exercise price of S\$0.003333.

Entry into a Non-Binding Letter of Intent relating to the Acquisition of Watches.com

As announced on 19 January 2022, the Company had entered into an exclusive non-binding Letter of Intent with Watchismo LLC for the proposed acquisition of its assets.

Exercise of warrants

Subsequent to the entry into two separate conditional placement agreements with Ms Zheng Ze Li and Industrial Electronics Pte Ltd on 20 October 2021, on 28 January 2022, 102,050,000 new ordinary shares in the capital of the Company ("**New Shares**") were issued and listed following the exercise of 102,050,000 warrants. Following the exercise of the said 102,050,000 warrants into 102,050,000 New Shares, there are 31,550,000 warrants outstanding as at 28 January 2022.

F. Other information required by Appendix 7C of the Catalist Rules

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1. Review

The condensed consolidated statement of financial position of Negrator International Ltd and its subsidiaries (the “**Group**”) as at 31 December 2021 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months and full year ended 31 December 2021 and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

2. Review of performance of the Group

Overview

The Group posted a revenue of S\$25.7 million for the year ended 31 December 2021 (“**FY2021**”) representing an increase of 11.2% or S\$2.6 million from the previous corresponding period (“**FY2020**”).

The Group posted a gross profit of S\$5.5 million in FY2021, representing an increase of 186.1% from S\$1.9 million reported in FY2020. This is a result of better management of project cost.

Overall, the Group made some improvement from net loss of S\$5.0 million in FY2020 compared to a lower net loss of S\$2.9 million in FY2021 as a result of a significant increase in gross profit. Before taking into consideration non-controlling interests, net loss attributable to equity holders of the Company is S\$2.4 million in FY2021 compared to a net loss of S\$2.8 million in FY2020.

Revenue

The Project Management and Maintenance segment and Retail segment was the main driver for the Group’s increase in revenue, and was partially offset by the decline in Project Sales segment.

Project Sales showed a decline of 57.7% or S\$4.2 million from S\$7.2 million in FY2020 to S\$3.0 million in FY2021 mainly due to: -

- * Local markets – delays in the implementation of various projects as a result of the Covid-19 pandemic. These delays are mainly due to restrictions in the movement of workers and restriction access to customer’s premises.
- * Overseas markets - most of the countries’ borders in our overseas market remain closed as a result of the governments’ implementation of measures to restrict the spread of Covid-19, which has caused the revenue generated from these markets to have decreased substantially.

Revenue in Project Management and Maintenance Services showed significant improvement and increased by 22.7% or S\$3.6 million from S\$15.9 million in FY2020 to S\$19.5 million in FY2021. Our work force comprising of generally foreign workers gradually obtained clearance from Ministry of Manpower to resume work gradually during FY2021 which led to being able to complete outstanding works on hand and realize more revenue in the first half of FY2021. Work from Home arrangements put in place by the Government since 16 May 2021 had only gradually eased in early January 2022. Hence, the arrangements had resulted in slightly lower work efficiency during the first half of FY2021 compared to the second half of FY2021 and a correspondingly lower revenue attained in the second half of FY2021.

Revenue contributed from the Retail segment was S\$3.1 million in FY2021.

Profitability

The Group's increase in gross profit was mainly as a result of an increase in gross profit from Project Management and Maintenance Services by 1,239.0% or S\$4.2 million from FY2020 to S\$4.5 million in FY2021, offset by decrease in gross profit from Project Sales by 40.6% or S\$0.6 million from FY2020 to S\$0.9 million in FY2021. Retail segment contributed S\$0.1 million gross profit in FY2021.

The Group made an improvement from net loss of S\$5.0 million in FY2020 to a lower net loss of S\$2.9 million in FY2021 after taking into consideration the following:

- * Reduction in the cost of sales of 4.7% or S\$1.0 million from S\$21.2 million in FY2020 to S\$20.2 million in FY2021 due to reduction in the number of foreign labour;
- * Lower distribution and marketing expense by 79.7% or S\$94,000 to S\$24,000 in FY2021 mainly due to restriction in travelling as a result of many countries' borders remaining closed;
- * Lower finance expenses by 16.8% or S\$0.2 million to S\$0.5 million in FY2021 due to a reduction in borrowings;
- * Decrease in other gains – net by 53.2% or S\$1.6 million to S\$1.3 million in FY2021. The reduction in other gains is due mainly to the reduction in government assistance as compared to the previous corresponding period; and
- * Slight increase in administrative expenses by 1.6% or S\$142,000.

Administrative expenses largely comprised of salaries and depreciation for right-of-use assets.

Before taking into consideration of non-controlling interests, net loss attributable to equity holders of the Company is S\$2.4 million in FY2021 compared to a net loss of S\$2.8 million in FY2020.

Financial Position

Assets

Cash and cash equivalents decreased from S\$8.3 million as at 31 December 2020 to S\$5.0 million as at 31 December 2021 as a result of repaying borrowings and payment of trade payables.

Trade and other receivables increased by S\$0.1 million from S\$19.7 million as at 31 December 2020 to S\$19.8 million as at 31 December 2021, as a result of increase in work-in-progress.

Inventories increased by S\$26,000 from S\$289,000 as at 31 December 2020 to S\$315,000 as at 31 December 2021 mainly due to purchase of materials for projects and work-in-progress.

The increase in Right-of-use assets of S\$0.6 million, offset by a decrease in property, plant and equipment of S\$0.2 million was mainly due to:

- * Purchase of Property, plant and equipment of S\$0.1 million;
- * New or renewal of leases to Right-of-use assets of S\$1.6 million offset by the below factors;
- * Depreciation of Property, plant and equipment of S\$0.4 million; and

- * Depreciation of Right-of-use assets decreased by 12.1% to S\$0.9 million as a result of non-renewal of warehouse and office rental.

Liabilities

Trade and other payables decreased by S\$0.6 million from S\$6.0 million as at 31 December 2020 to S\$5.4 million as at 31 December 2021. This is in accordance to agreed payment terms for creditors.

Current borrowings decreased by S\$3.5 million from S\$15.5 million as at 31 December 2020 to S\$12.0 million as at 31 December 2021. This is a result of repayment for the Group's borrowings from financial institutions for working capital and projects financing.

Non-current borrowings increased by S\$0.4 million from S\$0.2 million as at 31 December 2020 to S\$0.6 million as at 31 December 2021 due to an increase in finance leases obtained by the Group.

Cash flow

The Group recorded cash and cash equivalents of S\$5.0 million at the end of FY2021. This was a decrease of S\$3.3 million from S\$8.3 million as at the end of FY2020.

The Group's net cash used in operating activities in FY2021 was S\$2.0 million mainly due to a negative operating cash flow before working capital changes of S\$0.9 million, changes in inventories of S\$26,000, changes in trade and other receivables of S\$0.1 million and changes in trade and other payables of S\$0.9 million.

The Group's net cash used in investing activities in FY2021 was S\$0.4 million in which S\$0.1 million was for the purchase of property, plant and equipment and S\$0.4 million was for the payment of leases.

The Group's net cash provided by financing activities in FY2021 amounted to S\$0.1 million and S\$4.7 million in FY2020. The net cash provided by financing activities in FY2021 was due to proceeds from issuance of ordinary shares of S\$3.8 million and bank deposits discharged of S\$0.1 million was offset by:

- * Repayment of borrowings of S\$2.9 million;
- * Repayment of finance lease liabilities of S\$0.6 million; and
- * Payment of interest of S\$0.2 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The financial results are in line with the forecast statement disclosed in the Company's announcements dated 26 February 2021 and 14 June 2021 for contracts secured for the amount of S\$6.1 million and S\$2.43 million respectively. As the contracts are currently in-progress and still on track to be completed by 31 December 2022 as previously announced, the Company does not expect a material variance on the expected results on the completion of the contracts.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Please refer to “E. Notes to the Condensed Interim Financial Statements: 13. Subsequent Events” above.

The outstanding order book (contracts signed) as at 31 December 2021 is S\$67.9 million. The majority of the Group’s outstanding order book is in Singapore, the Group’s key market.

The Regional and Global economic forecasts still remain very negative. Although there has been an improvement in the Group’s performance in the financial year ended 31 December 2021 as compared to the previous corresponding year, the Group had been adversely affected by the pandemic in FY2021 and this impact on our operations may continue to last in the next 12 months, subject to the Covid-19 situation and the government’s implementation of measures, if any, to control the spread of Covid-19.

The Group however saw improvements in the Covid-19 situation in Singapore since its entry into the Preparatory Stage of a four-stage plan to live with Covid-19 since 10 August 2021 and the Group is hence seeing improvements in its Singapore operations compared to the last financial year ended 31 December 2020. Due to the new “Omicron” virus outbreak, Singapore has pushed back its plans to ease limits on home gathering and other pandemic curbs as a resurgent Covid-19 outbreak tests the country’s pivot to living with the virus. The plans to ease and simplify some virus rules in phases, originally due to be effected on 25 February and 4 March 2022, will be delayed, according to a statement from the Ministry of Health release on 24 February 2022. (Source : [MOH | News Highlights](#)) The Group envisages that the upcoming Covid-19 measures will not have a material impact to our business operations. While we hope that there will not be any more new ‘covid waves’, many uncertainties remain in the countries we operate in. While the Group will continue to monitor the recent increase in cases globally, it is clear that the impact of the Covid-19 pandemic on our businesses will continue to last much longer than we had hoped.

The Company had on 6 August 2021 received a letter of statutory demand (“**Letter of Statutory Demand**”) from the Company’s previous sponsor, Asian Corporate Advisors Pte. Ltd. (the “**Previous Sponsor**”) (as announced on 11 August 2021) in relation to the work alleged to be done by the Previous Sponsor as set out in their invoices.

As at 31 December 2021, the Company has placed the alleged outstanding fee in the Escrow account. As such, the Company is in the capacity to make immediate payment if the fees charged are agreeable.

5. Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Ordinary Shares	Warrants Outstanding/(Exercised)
Balance as at 30 June 2021	1,253,258,714	-
Issuance of New Shares **	172,400,000	-
Issuance of Warrants	-	172,400,000
Exercise of Warrants	38,800,000	(38,800,000)
Balance as at 31 December 2021	1,464,458,714	133,600,000

** Issuance of New Shares relating to the entry into two separate conditional placement agreements with Ms Zheng Ze Li and Industrial Electronics Pte Ltd on 20 October 2021.

Convertibles

There are 133,600,000 outstanding warrants as at 31 December 2021 (31 December 2020: NIL) which can be converted into 133,600,000 ordinary shares of the Company.

Treasury Shares

The Company's share capital excluding treasury shares was S\$30,088,778.36 as at 31 December 2021 and comprised 1,464,458,714 shares. The Company's share capital was S\$26,161,000 as at 31 December 2020 and comprised 1,065,646,234 shares.

There were 251,000 treasury shares representing 0.02% of the Company's 1,253,258,714 ordinary shares (excluding treasury shares) as at 31 December 2021. There were 251,000 treasury shares representing 0.02% of the Company's 1,065,395,234 ordinary shares (excluding treasury shares) as at 30 December 2020.

Subsidiary Holdings

There were no subsidiary holdings as at 31 December 2021 and 31 December 2020.

5. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31 Dec 2021	31 Dec 2020
Beginning and end of financial period	1,464,458,714	1,065,646,234

6. A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

7. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and at the end of the current financial period reported on.

8. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

9. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable

10. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern):—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

11. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Please refer to "E. Notes to the condensed interim consolidated financial statements: 2. Basis of Preparation".

12. If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to "E. Notes to the condensed interim consolidated financial statements: 2.1. New and amended standards adopted by the Group".

13. Dividend Information

13a. Current Financial Period Reported on

No dividend was declared or recommended for the current financial period reported on.

13b. Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared or recommended for the corresponding period of the immediately preceding financial year.

13c. Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

13d. Date Payable

Not applicable.

13e. Book Closure Date

Not applicable.

14. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Due to losses incurred, no dividend has been declared for the financial year ended 31 December 2021.

15. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions. Save for the below, there were no other interested person transactions of S\$100,000 and above during the financial year in review.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u>)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> (excluding transactions less than \$100,000)
Golden Ultra Limited	Golden Ultra Limited is an associate of Mr Heilesen, who is a director and controlling shareholder of the Company, holding indirectly 171,314,400 ordinary shares of the Company, representing approximately 10.94% of the issued share capital of the Company as at the date of this announcement.	Transaction A ⁽ⁱ⁾ HK\$110 million (equivalent to approximately S\$19.2 million)	Nil
Incredible Holdings Limited	Incredible Holdings Limited is an associate of Mr Heilesen, who is a director of the Company.	Transaction B ⁽ⁱⁱ⁾ S\$42.3 million	Nil
Incredible Holdings Limited	Incredible Holdings Limited is an associate of Mr Heilesen, who is a director of the Company.	Transaction C ⁽ⁱⁱⁱ⁾ S\$10.6 million	Nil

Notes:

(i) Transaction A - Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra Ltd

As announced on 12 October 2021, the Company had entered into a share purchase agreement with Mr Heilesen (the “**Golden Ultra Vendor**”) in relation to, *inter alia*, the acquisition of 550 ordinary shares in Golden Ultra Ltd (the “**Target**”), representing 55% of the issued share capital of Golden Ultra Ltd.

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 consideration of HK\$82.5 million (equivalent to approximately S\$14.4 million) to be paid to the Golden Ultra Vendor by way of promissory notes and a maximum earnout incentive 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 in the announcement.

(ii) Transaction B - Proposed Issuance

Please refer to “E. Notes to the condensed interim consolidated financial statements – Note 13: Subsequent Events” for further information on the Proposed Issuance.

The aggregate value of the Proposed Issuance consists of the aggregate principal amount of 0% perpetual convertible bonds of S\$9,000,000 and the proceeds from the exercise of the warrants on 23 December 2021 and 28 January 2022.

(iii) Transaction C - Proposed Subscription

Please refer to “E. Notes to the condensed interim consolidated financial statements – Note 13: Subsequent Events” for further information on the Proposed Subscription.

The aggregate maximum value to be paid by the Company in connection with the Proposed Subscription is approximately S\$10.6 million (comprising the aggregate principal amount of the perpetual bonds of S\$6,900,000, the aggregate principal amount of perpetual convertible bonds of S\$2,100,000 and the aggregate exercise price payable upon exercise of all of the warrants of S\$1,600,000) and the estimated costs and expenses to be incurred in connection with the Proposed Subscription of S\$50,000 shall be funded through fund raising exercises such as an issue of additional equity securities by way of a rights issue, a private placement or otherwise including the Proposed Issuance to Incredible Holdings Limited as announced on 1 January 2022.

12. Use of Proceeds – Issuance of Placement Shares

As at 31 December 2021, approximately S\$3.8 million of proceeds were raised from the issuance of shares from the following:

Placement

- (i) Completion of the placement entered into with Ms Zhou Qi Lin on 30 June 2021;
- (ii) Two separate conditional placement agreements with Ms Zheng Ze Li and Industrial Electronics Pte Ltd on 20 October 2021; and
- (iii) The allotment and issuance of 38,000,000 new ordinary shares in the capital of the Company at an exercise price of S\$0.0082 for each new share pursuant to the exercise of 38,800,000 unlisted warrants issued on 29 November 2021.

The below table sets out the use of proceeds raised from each of the above events as numbered.

Placement	Intended use of Net Proceeds	Amount allocated (S\$)	Amount utilised (S\$)	Balance (S\$)
(i)	To fund Acquisitions and New Business Opportunities	1,604,181	(1,604,181)	-
(i)	General Working Capital **	451,045	(451,045)	-
(ii)	General Working Capital **	1,413,680	(1,413,680)	-
(iii)	General Working Capital **	318,160	(318,160)	-
	Total	3,787,066	(3,787,066)	-

**** Breakdown of general working capital**

Professional Fees & Expenses	S\$'000
Purchase of Inventory / Goods	50
	774



General & Administrative Expenses (includes payment for salaries, office rental and general expenses)	1,358
Total	<u>2,182</u>

The above utilisations are in accordance with the intended use of proceeds of announcements dated 25 May 2021 and 20 October 2021.

17. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Catalist Rule 720(1).

18. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

The Company had on 18 June 2021 completed the acquisition of Fund Joy Limited (“Fund Joy”) (as announced on 18 June 2021).

Fund Joy is a dormant company and its net assets as at 30 April 2021 is HK\$1.00.

The consideration of the acquisition is HK\$1.00 (or equivalent to approximately S\$0.17), payable by the Company to the seller by cash upon completion. The consideration was arrived at an arms’ length negotiations on a willing seller and willing buyer basis and taking into consideration the net tangible assets position of Fund Joy.

Following the completion of the acquisition, Fund Joy has become a wholly-owned subsidiary of the Company.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

19. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year

Please refer to “E. Notes to the condensed interim consolidated financial statements: 4. Segment and revenue information”.

20. In the review of performance, the factors leading to any material changes in distribution to turnover and earnings by operating segments

Please refer to “F. Other Information required by Appendix 7C of the Catalist Rules: Review of performance of the Group”.

21. Breakdown of sales in the first half and second half of the financial year

Group	\$'000	\$'000	%
	FY2021	FY2020	Increase/ (Decrease)
(a) Sales reported for first half year	11,517	12,712	-9.40%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	-273	-1545	-82.33%
(c) Sales reported for second half year	14,178	10,390	36.46%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	-2,647	-3,487	-24.09%

22. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

No dividends were issued in FY2020 and FY2021.

23. Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must take an appropriate negative statement.

Pursuant to Catalist Rule 704(10), Negrator International Ltd confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company as at the date of this announcement.

On behalf of the Board of Directors

Christian Kwok-Leun Yau Heilesen
Executive Director
1 March 2022



**Ntegrator International Ltd and its subsidiaries
Incorporated in the Republic of Singapore
Company Registration Number - 199904281D**

BY ORDER OF THE BOARD

Tan Wei Jie, Joel and Shu Shin Yee

Joint Company Secretaries

1 March 2022

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

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