

Circular dated 6 April 2022

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

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

This Circular together with the Notice of Extraordinary General Meeting (“EGM”) and the enclosed Proxy Form may be accessed at the Company’s website at the URL <https://www.nTEGRATOR.com/announcements> and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of this Circular, the Notice of EGM and the enclosed Proxy Form will NOT be sent to shareholders of the Company (“Shareholders”).

If you have sold or transferred all your ordinary shares in the capital of NTEGRATOR International Ltd. (the “Company”), you should (a) immediately forward this Circular together with the Notice of EGM and the enclosed Proxy Form to the purchaser or the transferee or to the bank, the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee; and (b) immediately inform the purchaser or the transferee or the bank, the stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or the transferee that this Circular together with the Notice of EGM and the enclosed Proxy Form may be accessed at the Company’s website at the URL <https://www.nTEGRATOR.com/announcements> and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

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 Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Gillian Goh, 16 Collyer Quay #10-00 Income at Raffles Singapore 049318, [sponsorship@ppcf.com.sg](mailto: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 ISSUANCE OF PERPETUAL CONVERTIBLE BONDS AND WARRANTS (THE “PROPOSED ISSUANCE”);
- (2) THE PROPOSED ISSUANCE AS AN INTERESTED PERSON TRANSACTION;
- (3) THE TRANSFER OF CONTROLLING INTEREST IN CONNECTION WITH THE PROPOSED ISSUANCE;
- (4) THE PROPOSED SUBSCRIPTION OF PERPETUAL BONDS, PERPETUAL CONVERTIBLE BONDS AND WARRANTS; AND
- (5) THE PROPOSED SUBSCRIPTION AS AN INTERESTED PERSON TRANSACTION.

Independent Financial Adviser in respect of the Proposed Issuance as an Interested Person Transaction and the Proposed Subscription as an Interested Person Transaction



## 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 | : | Monday, 25 April 2022 at 12.00 p.m. (Singapore Time)   |
| Date and time of EGM                           | : | Thursday, 28 April 2022 at 12.00 p.m. (Singapore Time) |
| Place of EGM                                   | : | The EGM will be convened and held by electronic means. |

Due to the current COVID-19 situation in Singapore, Shareholders will NOT be able to attend the EGM in person. The EGM will be convened and held by electronic means. Shareholders MUST appoint the Chairman of the EGM as their proxy to attend, speak and vote on their behalf at the EGM.

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## DEFINITIONS

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

- “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; or
- (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
- “Announced Transactions” : The First Placement Exercise, the Proposed Gadmob Acquisition, the Proposed Golden Ultra Acquisition, the Second Placement Exercise and the Proposed Capital Reduction
- “Board” : The board of directors of the Company as at the Latest Practicable Date
- “Catalist Rules” : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
- “Catalist” : The sponsor-supervised listing platform of the SGX-ST
- “CDP” : The Central Depository (Pte) Limited
- “Circular” : This circular to Shareholders dated 6 April 2022
- “Companies Act” : The Companies Act 1967 of Singapore, as amended or modified from time to time
- “Company” : Ntegrator International Ltd.
- “Controlling Interest Resolution” : The resolution to be proposed at the EGM to approve the transfer of controlling interest in the Company to Incredible in connection with the Proposed Issuance as set out in the Notice of EGM

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## DEFINITIONS

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- “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
- “Conversion Price” : S\$0.003333 per Conversion Share, subject to adjustments under certain circumstances in accordance with the terms and conditions specified in the Subscription Agreement
- “Conversion Shares” : The new ordinary shares in the Company to be issued by the Company upon conversion of the Perpetual Convertible Bonds
- “Deed Poll” : A deed poll to be executed by the Company to constitute the Warrants and containing, *inter alia*, the provisions for the protection of the rights and interests of the holder of the Warrants
- “Director” : A director of the Company as at the Latest Practicable Date
- “EGM” : The extraordinary general meeting of the Company to be convened and held by electronic means on Thursday, 28 April 2022 at 12.00 p.m. (Singapore Time), notice of which is set out on page N-1 of this Circular
- “Exercise Price” : S\$0.003333 per Warrant, subject to adjustments under certain circumstances in accordance with the terms and conditions specified in the Deed Poll
- “Exercised Shares” : The new ordinary shares in the Company to be issued by the Company upon exercise of the Warrants
- “First Placement Exercise” : A placement of an aggregate of 187,863,480 new Shares (the “First Placement Shares”) to Ms Zhou Qilin at a subscription price of S\$0.01094 per First Placement Share completed on 30 June 2021 raising net proceeds of approximately S\$2.0 million.
- Shareholders are advised to read the full text of the announcements made by the Company on 25 May 2021, 28 May 2021, 23 June 2021, 29 June 2021 and 30 June 2021, which are available on SGXNET, for further details on the First Placement Exercise.
- “FY” : Financial year of the Company ended or ending 31 December, as the case may be
- “Group” : The Company and its subsidiaries

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## DEFINITIONS

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“IFA”	: W Capital Markets Pte. Ltd.
“immediate family”	: In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
“Incredible”	: Incredible Holdings Ltd.
“Incredible Conversion Price”	: S\$0.004 per Incredible Conversion Share, subject to adjustments under certain circumstances in accordance with the terms and conditions specified in the Incredible Subscription Agreement
“Incredible Conversion Shares”	: The new ordinary shares in the Company to be issued by Incredible upon conversion of the Incredible Perpetual Convertible Bonds
“Incredible Exercise Price”	: S\$0.0016 per Incredible Warrant, subject to adjustments under certain circumstances in accordance with the terms and conditions specified in the Incredible Deed Poll
“Incredible Exercised Shares”	: The new ordinary shares in Incredible to be issued by Incredible upon exercise of the Incredible Warrants
“Incredible IPT Resolution”	: The resolution to be proposed at the EGM to approve the Proposed Subscription as an interested person transaction as set out in the Notice of EGM
“Incredible Perpetual Convertible Bonds”	: The 0% perpetual convertible bonds of an aggregate principal amount of S\$2,100,000 to be issued by Incredible to the Company, on the terms and conditions specified in the Incredible Subscription Agreement
“Incredible Subscription Agreement”	: The subscription agreement dated 31 December 2021 entered into by the Company and Incredible
“Incredible Warrants”	: The 1,000,000,000 free warrants to be issued by Incredible to the Company, on the terms and conditions specified in the Incredible Deed Poll
“Independent Shareholders”	: The Shareholders who are considered independent for the purpose of the Issuance Resolution, the IPT Resolution, the Subscription Resolution and the Incredible IPT Resolution, being the Shareholders other than Mr Christian Kwok-Leun Yau Heilesen, Incredible and their associates
“IPT Resolution”	: The resolution to be proposed at the EGM to approve the Proposed Issuance as an interested person transaction as set out in the Notice of EGM
“Issuance IFA Letter”	: The letter from the IFA dated 6 April 2022 with respect to the Proposed Issuance as an interested person transaction as set out in Appendix A to this Circular

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## DEFINITIONS

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“Issuance Resolution”	: The resolution to be proposed at the EGM to approve the Proposed Issuance as set out in the Notice of EGM
“Latest Practicable Date”	: 4 April 2022, being the latest practicable date prior to the issue of this Circular
“LPS”	: Loss per Share
“MAS”	: Monetary Authority of Singapore
“Non-Interested Directors”	: The Directors who are considered independent for the purpose of making a recommendation to: <ul style="list-style-type: none"><li>(a) Independent Shareholders in respect of the Issuance Resolution and the Subscription Resolution;</li><li>(b) Independent Shareholders in respect of the IPT Resolution; and</li><li>(c) Shareholders in respect of the Controlling Interest Resolution, being Mr Chay Yiowmin, Mr Tao Yeoh Chi and Mr Han Meng Siew</li></ul>
“Notice of EGM”	: The notice of EGM which is set out on page N-1 of this Circular
“NTA”	: Net tangible assets
“Perpetual Convertible Bonds”	: The 0% perpetual convertible bonds of an aggregate principal amount of S\$9,000,000 to be issued by the Company to Incredible, on the terms and conditions specified in the Subscription Agreement
“Proposed Gadmobе Acquisition”	: The proposed acquisition of 85 shares in a private limited company to be incorporated in the British Virgin Islands (the “Gadmobе”), representing 85% of the issued share capital of Gadmobе, through Cyber Sail Global Limited, a wholly owned direct subsidiary of the Company.  Shareholders are advised to read the full text of the announcements made by the Company on 12 October 2021, 14 October 2021, 22 October 2021, 23 February 2022 and 4 March 2022, and circular to shareholders dated 10 February 2022 which are available on SGXNET, for further details on the Proposed Gadmobе Acquisition

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## DEFINITIONS

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- “Proposed Golden Ultra Acquisition” : The proposed acquisition of 550 shares in Golden Ultra Limited (“Golden Ultra”), representing 55% of the issued share capital of Golden Ultra.
- Shareholders are advised to read the full text of the announcements made by the Company on 12 October 2021, 14 October 2021, 22 October 2021, 23 February 2022 and 4 March 2022, and circular to shareholders dated 10 February 2022 which are available on SGXNET, for further details on the Proposed Golden Ultra Acquisition
- “Proposed Issuance” : The proposed issuance of:
- (a) Perpetual Convertible Bonds which shall, at the option of the holder thereof, be convertible into Conversion Shares at a Conversion Price of S\$0.003333 per Conversion Share, on the terms and conditions specified in the Subscription Agreement; and
  - (b) 10,000,000,000 Warrants, each Warrant shall grant the holder thereof the right to subscribe for one Exercised Share at an Exercise Price of S\$0.003333, on the terms and conditions specified in the Deed Poll
- “Proposed Resolutions” : The Issuance Resolution, the IPT Resolution, the Controlling Interest Resolution, the Subscription Resolution and the Incredible IPT Resolution
- “Proposed Share Consolidation and Rights cum Warrants Issue” : The proposed consolidation of every three (3) existing ordinary shares in the capital of the Company held by Shareholders.
- The proposed renounceable non-underwritten rights cum warrants issue of up to 8,890,293,570 new ordinary shares in the capital of the Company and up to 5,926,862,380 free detachable warrants.
- Shareholders are advised to read the full text of the announcement made by the Company on 31 December 2021 and 4 April 2022, and circular to shareholders dated 19 March 2022 which are available on SGXNET, for further details on the Proposed Share Consolidation and Rights cum Warrants Issue

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- “Proposed Subscription” : The proposed subscription of:
- (a) Incredible Perpetual Bonds of an aggregate principal amount of S\$6,900,000;
  - (b) Incredible 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 Incredible Conversion Shares at an Incredible Conversion Price of S\$0.004 per Incredible Conversion Share, on the terms and conditions specified in the Incredible Subscription Agreement; and
  - (b) 1,000,000,000 Incredible Warrants, each Incredible Warrant shall grant the holder thereof the right to subscribe for one Incredible Exercised Share at an Incredible Exercise Price of S\$0.0016, on the terms and conditions specified in the Subscription Deed Poll
- “Proxy Form” : The proxy form in respect of the EGM which is enclosed to this Circular
- “Register of Members” : The register of members of the Company
- “Second Placement Exercise” : A placement of an aggregate of 172,400,000 new Shares (the “Second Placement Shares”) to Ms Zheng Ze Li and Industrial Electronics Pte Ltd at a subscription price of S\$0.0082 per Second Placement Share completed on 12 November 2021 raising net proceeds of approximately S\$1.4 million.
- Shareholders are advised to read the full text of the announcements made by the Company on 20 October 2021, 25 October 2021, 8 November 2021, 12 November 2021, 29 November 2021, 23 December 2021 and 28 January 2022, which are available on SGXNET, for further details on the Second Placement Exercise
- “Securities Account” : A securities account maintained by a Depositor with CDP but does not include a securities account maintained with a Depository Agent
- “SFA” : The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
- “SGX-ST” : Singapore Exchange Securities Trading Limited
- “Shareholders” : The registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
- “Shares” : Ordinary shares in the capital of the Company



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## DEFINITIONS

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“Special Committee”	:	The special committee constituted to form a view on the Proposed Issuance as an interested person transaction and the Proposed Subscription as an interested person transaction comprising Mr Chay Yiowmin, Mr Tao Yeoh Chi and Mr Han Meng Siew
“Subscription Agreement”	:	The subscription agreement dated 31 December 2021 entered into by the Company and Incredible
“Subscription Deed Poll”	:	A deed poll to be executed by the Company to constitute the Incredible Warrants and containing, inter alia, the provisions for the protection of the rights and interests of the holder of the Incredible Warrants
“Subscription IFA Letter”	:	The letter from the IFA dated 6 April 2022 with respect to the Proposed Subscription as an interested person transaction as set out in Appendix B to this Circular
“Subscription Resolution”	:	The resolution to be proposed at the EGM to approve the Proposed Subscription as set out in the Notice of EGM
“Substantial Shareholder”	:	A substantial shareholder of the Company
“Warrants”	:	The 10,000,000,000 free warrants to be issued by the Company to Incredible, on the terms and conditions specified in the Deed Poll

### Currencies, Units of Measurement and Others

“S\$” and “cents”	:	Singapore dollars and cents respectively
“%”	:	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 “subsidiary”, “substantial shareholder” and “treasury shares” shall have the meanings ascribed to them in Section 5, Section 81 and Section 76H of the Companies Act respectively.

Words importing the singular shall, where applicable, include the plural and *vice versa*. 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 in this Circular to any statute or enactment is a reference to that statute or 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 not otherwise defined 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 otherwise stated.

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

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

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## **DEFINITIONS**

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

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

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## LETTER TO SHAREHOLDERS

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### **Ntegrator International Ltd.**

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

#### **Board of Directors**

Chay Yiowmin	(Independent Non-Executive Chairman and Independent Non-Executive Director)
Christian Kwok-Leun Yau Heilesen	(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)
Han Meng Siew	(Executive Director)

#### **Registered Office**

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

6 April 2022

To: The Shareholders of Ntegrator International Ltd.

Dear Sir/Madam,

#### **1. INTRODUCTION**

##### **1.1 EGM**

The Board is convening the EGM to seek the approval of Shareholders for the Proposed Resolutions.

##### **1.2 Inter-conditionality of the Proposed Resolutions**

**Shareholders should note that the passing of the Issuance Resolution, the IPT Resolution, the Controlling Interest Resolution, the Subscription Resolution and the Incredible IPT Resolution are inter-conditional upon the passing of one another. This means that if any of the Proposed Resolutions is not passed at the EGM, the Company will not proceed with the remaining Proposed Resolutions (as the case may be).**

As disclosed in **Section 3.9** of this Circular, the Company intends to use 100% of the net proceeds from the proposed issuance of the Perpetual Convertible Bonds of S\$9,000,000 from the Proposed Issuance to subscribe for the Incredible Perpetual Bonds and the Incredible Perpetual Convertible Bonds to be issued by Incredible pursuant to the Proposed Subscription. Accordingly, if shareholders' approval is not obtained for either the Proposed Issuance or the Proposed Subscription, the Company will not be proceeding with the Proposed Issuance or the Proposed Subscription, as the case may be.

As disclosed in **Section 3.13.1** of this Circular, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting. Further, as disclosed in **Section 3.13.2** of this Circular, the Proposed Issuance is an interested person transaction under Chapter 9 of the Catalist Rules. Accordingly, the Proposed Issuance is

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## LETTER TO SHAREHOLDERS

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subject to (i) Independent Shareholders' approval of the IPT Resolution; and (ii) Shareholders' approval of the Controlling Interest Resolution at an EGM to be convened. This means that if Independent Shareholders and Shareholders do not approve the IPT Resolution and Controlling Interest Resolution respectively, the Company will not proceed with the Proposed Issuance.

As disclosed in **Section 4.13.1** of this Circular, the Proposed Subscription is an interested person transaction under Chapter 9 of the Catalist Rules. Accordingly, the Proposed Subscription is subject to Shareholders' approval of the Incredible IPT Resolution at the EGM to be convened. This means that if Shareholders do not approve the Incredible IPT Resolution, the Company will not proceed with the Proposed Subscription.

### 1.3 Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to explain the rationale for, the Proposed Resolutions and to seek Shareholders' approval for the Proposed Resolutions at the EGM.

Subject to the approval of Shareholders for the Proposed Resolutions, the Company is intending to execute the Proposed Issuance and the Proposed Subscription concurrently. Upon completion of the Proposed Issuance and the Proposed Subscription, the Company intends to undertake a Proposed Share Consolidation and Rights cum Warrants Issue. Please refer to the Company's announcement date 31 December 2021 and the circular to shareholders dated 19 March 2022 for more information on the Proposed Share Consolidation and Rights cum Warrants Issue.

The Company will subsequently undertake the capital reduction after the completion of the Proposed Share Consolidation and Rights cum Warrants Issue and will provide further announcements to update shareholders on the capital reduction.

### 1.4 Legal Adviser

Shook Lin & Bok LLP is the legal adviser to the Company as to Singapore law in relation to the Proposed Issuance and the Proposed Subscription.

## 2. RATIONALE FOR THE PROPOSED ISSUANCE AND PROPOSED SUBSCRIPTION

The rationale for the Proposed Issuance and the Proposed Subscription is that the Company does not have to utilise its cash to subscribe for Incredible's shares as a long-term investment which is different from the previous two placement exercises completed in June 2021 and November 2021. The Company does not intend to amend the utilization of net proceeds raised from the Second Placement Exercise which is for working capital purpose. Further, the unutilised fund is not sufficient to complete the Proposed Subscription.

As announced on 12 October 2021, the Company entered into a proposed acquisition of 55% of Golden Ultra Limited and proposed acquisition of 85% of Gadmove Group. On 18 October 2021 and 27 October 2021, Incredible announced the proposed acquisition of 42% of Golden Ultra Limited and proposed acquisition of 15% of Gadmove Group respectively. The Board is of the view that the Proposed Issuance and Proposed Subscription, the Proposed Gadmove Acquisition and the Proposed Golden Ultra Acquisition could foster closer cooperation between the Company and the Incredible without using its cash resources and enjoying growth in each other's existing businesses.

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

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## LETTER TO SHAREHOLDERS

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As disclosed in **Section 3.10** of this Circular, the Company completed the First Placement Exercise on 30 June 2021 and the Second Placement Exercise on 12 November 2021. Shareholders of the Company are advised to read the full text of the announcements made by the Company on 25 May 2021, 28 May 2021, 23 June 2021, 29 June 2021 and 30 June 2021, which are available on SGXNET, for further details on the First Placement Exercise and the full text of the announcements made by the Company on 20 October 2021, 25 October 2021, 8 November 2021, 12 November 2021 and 29 November 2021, 23 December 2021 and 28 January 2022 which are available on SGXNET, for further details on the Second Placement Exercise.

In addition, as announced on 12 January 2022, the Board (only Directors who are not also on the board of directors on Incredible) is of the view that the Proposed Issuance and the Proposed Subscription are in the best interests of the Company as the Company intends: (a) to participate in the business growth and upside of the new and existing business of Incredible; (b) to subscribe for Incredible's shares and with the Proposed Issuance, there will be zero net fund flow impact to the Company as the Company will not be required to utilise its cash to subscribe for Incredible's shares as a long term investment, assuming that the Company does not exercise the warrants issued by Incredible; and (c) bring value to all Shareholders of the Company by way of the Group's participation in the business growth and upside of the new and existing business of Incredible and as the Proposed Subscription will broaden and diversify the Group's revenue streams and customer base.

### 3. THE PROPOSED ISSUANCE

#### 3.1 Background

In the announcement dated 1 January 2022, the Company announced that it had on 31 December 2021 entered into the Subscription Agreement with Incredible in relation to, *inter alia*, a proposed issuance of:

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

(the "**Proposed Issuance**").

The proposed issuance of the Perpetual Convertible Bonds is undertaken pursuant to Section 272B of the SFA. The Perpetual Convertible Bonds have been offered solely and sold to Incredible under Section 272B of the SFA and no prospectus or offer information statement in connection with the offer and sale of the Perpetual Convertible Bonds will be registered in Singapore with the MAS under the SFA.

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

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## LETTER TO SHAREHOLDERS

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### 3.2 Advisers

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

### 3.3 Existing Convertible Securities

The Company issued 172,400,000 free warrants, each warrant granting the holder thereof the right to subscribe for one new Share at an exercise price of S\$0.0082, to Ms Zheng Ze Li and Industrial Electronics Pte Ltd on 29 November 2021 pursuant to the Second Placement Exercise. Following the exercise of 38,800,000 warrants into 38,800,000 new Shares in the Company on 23 December 2021 and the exercise of 102,050,000 warrants into 102,050,000 new Shares on 28 January 2022, there are 31,550,000 of such warrants outstanding as at the Latest Practicable Date.

Save for the foregoing, the Company does not have any existing convertible securities as at the Latest Practicable Date.

### 3.4 Introducer

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

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

### 3.5 Information on Incredible

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

Incredible is listed on the Catalist Board of the SGX-ST. The principal activities of Incredible comprise, *inter alia*, the following:

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

### 3.6 Representations from Incredible

Incredible has represented that:

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

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

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

The terms of the Proposed Issuance were arrived at an arm's length basis and in view of the Proposed Issuance being a potential long-term investment for the Company and Incredible as detailed in the rationale in **Section 2** above.

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

Issuer of Perpetual Convertible Bonds	:	Negrator International Ltd.
Size of Perpetual Convertible Bonds	:	The Company will issue S\$9,000,000 aggregate principal amount of Perpetual Convertible Bonds.
Issue Date of Perpetual Convertible Bonds	:	On the Completion Date of the Subscription Agreement.
Issue Price of Perpetual Convertible Bonds	:	100% of the principal amount of the Perpetual Convertible Bonds, or S\$1.00 for each S\$1.00 in principal amount of the Perpetual Convertible Bonds.
Form and Denomination	:	The Perpetual Convertible Bonds will be issued in registered form and in the denomination of S\$1.00 each.
Status of the Perpetual Convertible Bonds	:	The Perpetual Convertible Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall at all times rank <i>pari passu</i> ,

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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.

Conversion Right : The Perpetual Convertible Bonds shall, at the option of the holder thereof, be convertible into Conversion Shares at the Conversion Price. The conversion right may be exercised at any time after the date of issue of the Perpetual Convertible Bonds and if the Perpetual Convertible Bonds have been called for redemption by the Company, then before 5.00 p.m. on a date no later than ten days prior to the date fixed for redemption of such Perpetual Convertible Bonds.

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

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

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

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

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

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

(a) approximately 172.38% of the existing total issued share capital of the Company (excluding treasury shares) comprising 1,566,508,714 Shares; and



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(b) approximately 63.29% of the enlarged total issued share capital of the Company (excluding treasury shares) comprising 4,266,778,741 Shares, assuming that 2,700,270,027 Conversion Shares were issued by the Company upon conversion of all of the Perpetual Convertible Bonds.

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

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

The Company has made an application to the SGX-ST through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the listing and quotation of the Conversion Shares on the Catalist Board of the SGX-ST and has on 28 January 2022 received an approval-in-principle in relation to the listing and quotation notice in respect of the Conversion Shares and the Exercised Shares from the SGX-ST.

Conversion Price : S\$0.003333

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

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

Taking into account the Exercise Price of the Warrants, the effective price of the Conversion Shares is the same as that of the Warrants, being S\$0.003333, which represents a discount of 52.39% to the weighted average price of S\$0.007 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of the Company were

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traded prior to the signing of the Subscription Agreement on 31 December 2021.

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

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

Coupon : The Perpetual Convertible Bonds shall not bear any interest.

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

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

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

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

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

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

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

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

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### 3.8 Principal Terms and Conditions of the Warrants and the Exercised Shares

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

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

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

- (a) approximately 638.36% of the existing total issued share capital of the Company (excluding treasury shares) comprising 1,566,508,714 Shares; and
- (b) approximately 86.46% of the enlarged total issued share capital of the Company (excluding treasury shares) comprising 11,566,508,714 Shares, assuming that 10,000,000,000 Exercised Shares were issued by the Company upon exercise of all of the Warrants.

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

- (a) approximately 810.74% of the existing total issued share capital of the Company (excluding treasury shares) comprising 1,566,508,714 Shares; and
- (b) approximately 89.02% of the enlarged total issued share capital of the Company (excluding treasury shares) comprising 14,266,778,741 Shares, assuming that 2,700,270,027 Conversion Shares were issued by the Company upon conversion of all of the Perpetual Convertible Bonds and that 10,000,000,000 Exercised Shares were issued by the Company upon exercise of all of the Warrants.

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

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

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Subject to shareholders' approval being obtained, lodgement of an offer information statement relating to the proposed issuance of the Warrants and discussions between the Company and Incredible, the Company will be making an application through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the listing and quotation of the Warrants. An appropriate announcement will be made by the Company upon the receipt of the listing and quotation notice including the conditions that may be required to be fulfilled.

The Company has made an application to the SGX-ST through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the listing and quotation of the Conversion Shares and the Exercised Shares on the Catalist Board of the SGX-ST and has on 28 January 2022 received an approval-in-principle in relation to the listing and quotation notice in respect of the Conversion Shares and the Exercised Shares from the SGX-ST.

It should be noted that the Warrants may not be listed and quoted on the Catalist Board of the SGX-ST in the event of an insufficient spread of holdings of the Warrants to provide for an orderly market in the Warrants. Accordingly, in such event, the holders will not be able to trade their Warrants on the Catalist Board of the SGX-ST. However, if the Warrants are exercised in accordance with its terms and conditions, the Exercised Shares will be listed and quoted on the Catalist Board of the SGX-ST. Please refer to **Section 3.11** of this Circular for details.

Exercise Price : S\$0.003333

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

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

Exercise Period : The Warrants may be exercised during the period commencing on the date of issue of the Warrants and expiring at 5.00 p.m. on the date falling five years after the date of issue of the Warrants (the "**Exercise Period**"). At

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the expiry of the Exercise Period, any Warrants which have not been exercised shall lapse and cease to be valid for any purpose.

### Adjustments

: The number of Warrants and/or the Exercise Price are subject to adjustments under certain circumstances in accordance with the terms and conditions of the Warrants in the Deed Poll. Such circumstances include, without limitation, the following:

(a) *Consolidation or Subdivision or Conversion of Shares*

Any consolidation or subdivision, reclassification or conversion of the Shares (including a subdivision by way of a bonus issue by the Company of Shares credited as fully paid without capitalisation of profits or reserves);

(b) *Capitalisation Issues*

Any issue of Shares by the Company to its Shareholders credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Shareholders who had an option to take cash or other dividend in lieu of the relevant Shares);

(c) *Capital Distribution or Rights Issues*

(i) A capital distribution made by the Company to its Shareholders whether on a reduction of capital or otherwise; or

(ii) Any offer or invitation made by the Company to Shareholders by way of rights whereunder they may acquire or subscribe for Shares by way of rights or issue or grant to the Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares

(d) *Concurrent Capitalisation Issue and rights Issue*

Any allotment made by the Company to its Shareholders as provided in paragraph (b) and any offer or invitation is made by the Company to its Shareholders as provided in paragraph (c)(ii) and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation;

(e) *Issues at Discount other than by way of Rights*

Any issue of Shares (otherwise than pursuant to a rights issue available to all Shareholders alike and

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requiring an adjustment under paragraphs (c)(ii) or (d) and other than an issue of Shares to Shareholders who had an option to take cash or other dividend in lieu of the relevant Shares) by the Company and the total effective consideration for each Share is less than 90% of the current market price for each Share on SGX-ST on the date on which the issue price of such Shares is determined or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day.

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

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

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

- Modification of Rights of the Holders of the Warrants : The Company may, without the consent of the holders of the Warrants but in accordance with the terms and conditions of the Warrants in the Deed Poll, effect:
- (a) any modification to the Warrants, the warrant agency agreement or the Deed Poll which, in its opinion, is not materially prejudicial to the interests of the holders of the Warrants;
  - (b) any modification to the Warrants, the warrant agency agreement or the Deed Poll which, in its opinion, is of a formal, technical or minor nature or to correct a manifest error or to comply with mandatory provisions of Singapore law; and/or
  - (c) any modification to the Warrants or the Deed Poll which, in its opinion, is to vary or replace provisions relating to the transfer or exercise of the Warrants, including the issue of Exercised Shares upon exercise of the Warrants or meetings of the holders of the Warrants in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the Catalist Board of the SGX-ST.

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

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

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

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

- Winding-up of the Company : If a resolution is passed for a members' voluntary winding-up of the Company then:
- (a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the holders of the Warrants, or some person designated by them for such purpose sanctioned by extraordinary resolution at a meeting of the holders of the Warrants, the terms of such scheme of arrangement shall be binding on all holders of the Warrants; and
  - (b) in any other case, every holder of the Warrants shall be entitled, subject to the terms and conditions of the Warrants in the Deed Poll, within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his warrant certificate(s) to the Company with the exercise notice(s) duly completed, together with payment of the full amount of the aggregate Exercise Price in respect of the Warrants specified in the exercise notice(s), to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the exercise notice(s) and had on such date been the holder of the Exercised Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall, if permitted by law, give effect to such election accordingly. The Company shall give notice to the holders of the Warrants in accordance with the terms and conditions of the Warrants in the Deed Poll of the

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passing of any such resolution within seven market days after the passing thereof.

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

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

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

### 3.9 Intended Use of Net Proceeds

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

The Company intends to use the Net Proceeds to be raised by the Company from the Proposed Issuance as follows:

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

The Company intends to use the Net Proceeds to be raised by the Company as and when the Warrants are exercised, as follows:

Intended Use of Net Proceeds	Allocation of Net Proceeds	
	S\$	%
To invest in Incredible Holdings Ltd.'s shares	1,600,000	5
To Fund Acquisitions and New Business Opportunities	31,730,000	95
<b>Total</b>	<b>33,330,000</b>	<b>100</b>



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**Note:**

- (1) Shareholders are advised to read the full text of the announcement made by the Company on 1 January 2022, which is available on SGXNET, for further details on the proposed subscription of perpetual bonds and perpetual convertible bonds to be issued by Incredible Holdings Ltd..

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

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

The Directors are of the opinion that after taking into consideration: -

- (a) the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the foregoing, the Company has decided to undertake the Proposed Issuance for the reasons set out in **Section 2** of this Circular; and
- (b) the Group's present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

### **3.10 Amount of Cash raised for Issues of Securities in the Market in the Past Two Years**

The Company:

- (a) completed a placement of an aggregate of 187,863,480 new Shares (the "**First Placement Shares**") to Ms Zhou Qilin at a subscription price of S\$0.01094 per First Placement Share on 30 June 2021 raising net proceeds of approximately S\$2.0 million (the "**First Placement Exercise**");
- (b) completed a placement of an aggregate of 172,400,000 new Shares (the "**Second Placement Shares**") to Ms Zheng Ze Li and Industrial Electronics Pte Ltd at a subscription price of S\$0.0082 per Second Placement Share on 12 November 2021 raising net proceeds of approximately S\$1.4 million;
- (c) had on 23 December 2021 allotted and issued 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

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to the exercise of 38,800,000 unlisted warrants issued on 29 November 2021 receiving net proceeds of approximately S\$318,160;

- (d) had on 28 January 2022 allotted and issued 102,050,000 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 102,050,000 unlisted warrants issued on 29 November 2021 receiving net proceeds of approximately S\$836,810; and
- (e) proposes to undertake the Rights cum Warrants Issue (assuming the maximum subscription scenario) of up to 8,890,293,570 new ordinary shares in the capital of the Company and up to 5,926,862,380 free detachable warrants which is yet to be completed as the Latest Practicable Date.

Intended Use of Net Proceeds	Allocation of Net Proceeds		Amount Utilised		Balance <sup>(1)</sup>	
	S\$	%	S\$	%	S\$	%
<u>First Placement Exercise</u>						
To fund Acquisitions and New Business Opportunities	1.6 million	80%	1.6 million	80%	-	-
General Working Capital Requirements	0.4 million	20%	0.4 million <sup>(2)</sup>	20%	-	-
<b>Total</b>	<b>2.0 million</b>	<b>100%</b>	<b>2.0 million</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<u>Second Placement Exercise</u>						
General Working Capital	2.6 million	100%	2.6 million <sup>(3)</sup>	100%	-	-
<b>Total</b>	<b>2.6 million</b>	<b>100%</b>	<b>2.6 million</b>	<b>100%</b>	<b>-</b>	<b>-</b>

### Proposed Rights cum Warrants Issue (Ongoing and yet to complete)

Repayment of promissory notes in relation to the proposed acquisition of Golden Ultra Limited	19.2 million	6%	-	-	-	-
Repayment of promissory notes in relation to the proposed acquisition of Gadmobee Group	17.9 million	6%	-	-	-	-
Repayment of perpetual convertible bonds issued pursuant to the proposed Bond Issuance	8.4 million	3%	-	-	-	-
Investments in potential mergers and acquisitions and/or business opportunities	129.1 million	44%	-	-	-	-
Acquisition of hardware, machinery and tools	29.0 million	10%	-	-	-	-
Purchase of inventory	46.3 million	16%	-	-	-	-
Research and development	34.7 million	12%	-	-	-	-

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Intended Use of Net Proceeds	Allocation of Net Proceeds		Amount Utilised		Balance <sup>(1)</sup>	
	S\$	%	S\$	%	S\$	%
General corporate and working capital purposes	12.2 million	3%	-	-	-	-
<b>Total</b>	<b>296.8 million<sup>(4)</sup></b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Notes:

- (1) As at the Latest Practicable Date.
- (2) The amount of net proceeds from the First Placement Exercise utilised for general working capital requirements comprise a payment of S\$223,045.30 to suppliers and professional advisors, and a sum of S\$178,000 placed in an escrow account in connection with fees alleged to be due and owing by the Company to Asian Corporate Advisors Pte. Ltd.. Shareholders are advised to read the full text of the announcements made by the Company on 11 August 2021 and 27 August 2021, which are available on SGXNET, for further details on fees alleged to be due and owing by the Company to Asian Corporate Advisors Pte. Ltd..
- (3) The amount of net proceeds from the Second Placement Exercise utilised for general working capital comprise purchase of inventory and goods of approximately S\$451,000, and general administrative expenses, including payment of salaries, office rental and general expenses, of approximately S\$2.1 million.
- (4) **To note that the Proposed Rights cum Warrants Issue has been announced but yet to be completed. Therefore, the amount of net proceeds is yet to be determined.** Assuming the maximum subscription scenario, the amount of net proceeds raised from the proposed Rights cum Warrants Issue would be approximately S\$296.8 million, being approximately S\$88.8 million from the issue of 8,890,282,125 rights shares and approximately S\$208.0 million from the exercise of 1,185,370,950 warrants. Please refer to the announcement made by the Company on 31 December 2021 and 12 January 2022, and the circular to Shareholders dated 19 March 2022 for more information on the Proposed Rights cum Warrants Issue.

The use of proceeds as stated above is in accordance with the intended use as stated in the Company's announcements dated 25 May 2021, 28 May 2021, 23 June 2021, 29 June 2021, 30 June 2021, 20 October 2021, 25 October 2021, 8 November 2021, 12 November 2021, 29 November 2021, 23 December 2021, 28 January 2022, 1 March 2022 and 19 March 2022.

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

### 3.11 Listing and Quotation Notice

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

The Company has made an application to the SGX-ST through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the listing and quotation of the Conversion Shares and the Exercised Shares on the Catalist Board of the SGX-ST and has on 28 January 2022 received an approval-in-principle in relation to the listing and quotation notice (the "Notice") in respect of the Conversion Shares and the Exercised Shares from the SGX-ST.

The Notice is not to be taken as an indication of the merits of the Conversion Shares, the Exercised Shares, the ESOS Shares, the Proposed Issuance, the Company and/or its subsidiaries.

Subject to shareholders' approval being obtained, lodgement of an offer information statement relating to the proposed issuance of the Warrants and discussions between the Company and

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## LETTER TO SHAREHOLDERS

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

### 3.12 Principal Terms of the Subscription Agreement

#### 3.12.1 Completion Date

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

#### 3.12.2 Conditions Precedent

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

- (a) the Company having obtained such approvals from its board of directors and Shareholders in connection with the Subscription Agreement and the transactions contemplated therein as may be necessary, including but not limited to (i) the issue of the Perpetual Convertible Bonds to Incredible and the issue of the Conversion Shares upon conversion of the Perpetual Convertible Bonds; (ii) the issue of the Warrants to Incredible and the issue of the Exercised Shares upon exercise of the Warrants; (iii) the issue of new share certificates in respect of the Conversion Shares and the Exercised Shares; and (iv) the lodgement of the required statutory returns with the Accounting and Regulatory Authority of Singapore, and such approvals not having been amended or revoked before the Completion Date;
- (b) Incredible having obtained such approvals from its board of directors and shareholders (if applicable) in connection with the Subscription Agreement and the transactions contemplated therein as may be necessary;
- (c) the Company having obtained the listing and quotation notice from the SGX-ST for the listing and quotation of the Warrants, the Conversion Shares and the Exercised Shares, and the listing and quotation notice not having been amended or revoked before the Completion Date, and if the listing and quotation notice is subject to conditions, such conditions being fulfilled on or before the Completion Date;
- (d) Incredible complying with the applicable requirements under the Companies Act, the SFA, the Singapore Code on Take-overs and Mergers (the **“Code”**), the Catalist Rules and applicable laws (to the extent that such laws relates to or affects the subscription);
- (e) there is no breach by Incredible of its representations, warranties and undertakings contained in the Subscription Agreement;
- (f) each of the representations, warranties and undertakings remaining true and accurate in all material respects as at the Completion Date (by reference to the facts and circumstances then subsisting) with the same force and effect as if repeated on the Completion Date; and
- (g) all necessary consents, approvals and waivers where required for the transactions contemplated under the Subscription Agreement (including third party, governmental and regulatory consents, approvals and waivers) having been obtained by the Parties, and such consents, approvals and waivers not having been amended or revoked before the Completion Date, and if any such consents, approvals or waivers are subject to conditions, such conditions being fulfilled on or before the Completion Date.

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## LETTER TO SHAREHOLDERS

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### 3.12.3 Long Stop Date

“**Long Stop Date**” means 12 months from the date of the Subscription Agreement, or such other later date as the Parties may agree in writing.

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

### 3.12.4 Payment of the Issue Price for the Perpetual Convertible Bonds

The aggregate issue price for the Perpetual Convertible Bonds equal to 100% of the aggregate principal amount of the Perpetual Convertible Bonds of S\$9,000,000 shall be paid to the Company in cash by way of cashier's order, cheque, telegraphic transfer or such other payment method as the Parties may agree in writing (a) free of any restriction or condition; (b) free and clear and without any deduction or withholding for or on account of any tax; and (c) without deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

### 3.12.5 Indemnity

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

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

### 3.12.6 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 Subscription Agreement and the transactions contemplated therein.

### 3.12.7 Governing Law and Jurisdiction

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

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

## 3.13 **Shareholders' Approval for the Proposed Issuance**

### 3.13.1 Chapter 8 of the Catalist Rules

#### Transfer of Controlling Interest

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## LETTER TO SHAREHOLDERS

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Pursuant to Catalist Rule 803, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting. As at the Latest Practicable Date, the controlling shareholder of the Company is Christian Kwok Leun Yau Heilesen.

Assuming that the Proposed Issuance was completed on the Latest Practicable Date, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds and 10,000,000,000 Exercised Shares were issued upon exercise of all of the Warrants, Incredible will hold 12,700,270,027 Shares, representing approximately 89.02% of the enlarged total issued share capital of the Company (excluding treasury shares) comprising 14,266,527,741 Shares.

Hence, should Incredible's shareholding in the Company exceeds 15% or as and when it deems to have control of the Company, it would be deemed that there is a transfer of controlling interest. Accordingly, the Board proposes to convene the EGM to seek the approval of Shareholders for the transfer of controlling interest in the Company to Incredible in connection with the Proposed Issuance. Henceforth, as long as Mr Christian Kwok-Leun Yau Heilesen remains a controlling shareholder of Incredible, Mr Christian Kwok-Leun Yau Heilesen will be deemed as the ultimate controlling shareholder of the Company.

### Catalist Rules 805, 812 and 824

Further, pursuant to:

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

Mr Christian Kwok-Leun Yau Heilesen, who is Director and Substantial Shareholder, holds shares in Incredible representing approximately 59.14% of the total issued share capital of Incredible. Therefore, Incredible is a corporation in whose shares a Director and Substantial Shareholder have an aggregate interest of at least 10% and specific shareholder approval for the Proposed Issuance is required.

Accordingly, the Company will be convening the EGM to seek specific Shareholders' approval from Independent Shareholders for the Proposed Issuance. Mr Christian Kwok-Leun Yau Heilesen, Incredible and their associates shall abstain from voting on the Issuance Resolution in accordance with Catalist Rule 812(2).

### 3.13.2 Chapter 9 of the Catalist Rules

Incredible is an associate of Mr Christian Kwok-Leun Yau Heilesen, who is a Director. Therefore, Incredible is an "interested person" under Chapter 9 of the Catalist Rules and the Proposed Issuance is an "interested person transaction" under Chapter 9 of the Catalist Rules.

## LETTER TO SHAREHOLDERS

Based on the audited consolidated financial statements of the Group for FY2020, 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 Christian Kwok-Leun Yau Heilesen, Incredible and their respective 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 Issuance		After Completion of the Proposed Issuance	
	Amount	% <sup>(1)</sup>	Amount	% <sup>(1)</sup>
Proposed Acquisition of Golden Ultra Limited from Mr Christian Kwok-Leun Yau Heilesen	S\$19.2 million <sup>(2)</sup>	213.33%	S\$19.2 million <sup>(2)</sup>	213.33%
Proposed Issuance of Perpetual Convertible Bonds and Warrants to Incredible by the Company	-	-	S\$42.3 million	470%
Proposed Subscription of Incredible Perpetual Bonds, Incredible Perpetual Convertible Bonds and Incredible Warrants by the Company	-	-	S\$10.6 million	117.78%
<b>Total</b>	<b>S\$19.2 million</b>	<b>213.33%</b>	<b>S\$72.1 million</b>	<b>801.11%</b>

**Notes:**

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

(2) HK\$110 million equivalent to approximately S\$19.2 million.

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

Description of Transaction	Before Completion of the Proposed Issuance		After Completion of the Proposed Issuance	
	Amount	% <sup>(1)</sup>	Amount	% <sup>(1)</sup>
Proposed Acquisition of Golden Ultra Limited from Mr Christian Kwok-Leun Yau Heilesen	S\$19.2 million <sup>(2)</sup>	213.33%	S\$19.2 million <sup>(2)</sup>	213.33%
Proposed Issuance of Perpetual Convertible Bonds and Warrants to Incredible by the Company	-	-	S\$42.3 million	470%
Proposed Subscription of Incredible Perpetual Bonds, Incredible Perpetual Convertible Bonds and Incredible Warrants by the Company	-	-	S\$10.6 million	117.78%
<b>Total</b>	<b>S\$19.2 million</b>	<b>213.33%</b>	<b>S\$72.1 million</b>	<b>801.11%</b>

**Notes:**

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

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## LETTER TO SHAREHOLDERS

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(2) HK\$110 million equivalent to approximately S\$19.2 million.

Pursuant to:

- (a) Catalist Rule 906(1), an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than (i) 5% of the group's latest audited net tangible assets; or (ii) 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) Catalist 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.

The Proposed Issuance is an "interested person transaction" under Chapter 9 of the Catalist Rules of a value more than 5% of the Group's latest audited NTA.

Accordingly, the Company will be convening the EGM to seek Shareholders' approval from Independent Shareholders for the Proposed Issuance as an interested person transaction. Mr Christian Kwok-Leun Yau Heilesen, Incredible and their associates shall not vote on the IPT Resolution, nor accept appointments as proxies unless specific instructions as to voting are given, in accordance with Catalist Rule 919.

### 3.14 Proposed Distribution by way of Proposed Capital Reduction by Incredible

The Company understands that Incredible intends to undertake a capital reduction (the "**Proposed Capital Reduction**") pursuant to Section 78C of the Companies Act and return to its shareholders surplus capital of Incredible in excess of its needs by way of a distribution *in specie* (the "**Proposed Distribution**") of 300,000,000 Warrants to Entitled Shareholders in proportion to their respective shareholdings in the Company as at a record date (the "**Record Date**") to be determined by the directors of the Company for the purposes of determining the entitlement of shareholders of the Company to the Proposed Distribution, fractional entitlements to be disregarded.

Shareholders may read announcements made by Incredible on 5 January 2021 or to be made by Incredible via SGXNET for further details on the Proposed Capital Reduction and the Proposed Distribution.

### 3.15 Service Contracts

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

### 3.16 Notification under Section 309B of the SFA

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



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## LETTER TO SHAREHOLDERS

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### 4. THE PROPOSED SUBSCRIPTION

#### 4.1 Background

In the announcement dated 1 January 2022, the Company announced that it had on 31 December 2021 entered into the Incredible Subscription Agreement with Incredible in relation to, *inter alia*, a proposed subscription of:

- (a) 0% perpetual bonds of an aggregate principal amount of S\$6,900,000 (the “**Incredible Perpetual Bonds**”);
- (b) 0% perpetual convertible bonds of an aggregate principal amount of S\$2,100,000 (the “**Incredible Perpetual Convertible Bonds**”) which shall, at the option of the holder thereof, be convertible into new ordinary shares in Incredible (the “**Incredible Conversion Shares**”) at a conversion price of S\$0.004 per Incredible Conversion Share (the “**Incredible Conversion Price**”); and
- (c) 1,000,000,000 free warrants (the “**Incredible Warrants**”), each Incredible Warrant shall grant the holder thereof the right to subscribe for one new ordinary share in Incredible Holdings Ltd. (the “**Incredible Exercised Share**”) at an exercise price of S\$0.0016 (the “**Incredible Exercise Price**”),

(the “**Proposed Subscription**”).

#### 4.2 Advisers

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

#### 4.3 Existing Convertible Securities

The Company issued 172,400,000 free warrants, each warrant granting the holder thereof the right to subscribe for one new Share at an exercise price of S\$0.0082, to Ms Zheng Ze Li and Industrial Electronics Pte Ltd on 29 November 2021 pursuant to the Second Placement Exercise. Following the exercise of 38,800,000 warrants into 38,800,000 new Shares in the Company on 23 December 2021 and the exercise of 102,050,000 warrants into 102,050,000 new Shares on 28 January 2022, there are 31,550,000 of such warrants outstanding as at the Latest Practicable Date.

Save for the foregoing, the Company does not have any existing convertible securities as at the Latest Practicable Date.

#### 4.4 Introducer

Incredible was identified by one of the Board members of the Company, namely Mr Heilesen, the Executive Director and controlling shareholder of the Company. Mr Heilesen introduced Incredible to the Company.

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

#### 4.5 Information on Incredible

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

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## LETTER TO SHAREHOLDERS

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Incredible's market capitalisation was approximately S\$9.4 million on 30 December 2021, being the last full market day on which trades were done preceding the date of the Subscription Agreement. Incredible's market capitalisation was determined by multiplying the number of shares in issue (2,993,532,545 shares) by the weighted average price of such shares transacted on 30 December 2021 (S\$0.00314).

Incredible is listed on the Catalist Board of the SGX-ST. The principal activities of Incredible comprise, *inter alia*, the following:

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

Incredible is an associate of Mr Christian Kwok-Leun Yau Heilesen, who is a director of the Company, and Incredible is an "interested person" under Chapter 9 of the Catalist Rules. In addition, Mr Christian Kwok-Leun Yau Heilesen, who is a director and a controlling shareholder of Incredible, has an aggregate interest of at least 10% in the Company. Therefore, specific shareholders' approval from shareholders of Incredible for the Proposed Subscription must be obtained, and Mr Christian Kwok-Leun Yau Heilesen, and his associates, must abstain from voting on the resolution approving the Proposed Subscription.

#### 4.6 Representations from the Company

The Company has represented that:

- (a) The Company is not acquiring the Incredible Perpetual Bonds, the Incredible Perpetual Convertible Bonds and the Incredible Warrants as trustee to beneficiaries of a trust nor is the Company acting on behalf of another person (whether as an agent or otherwise) in connection with its acquisition of the Incredible Perpetual Bonds, the Incredible Perpetual Convertible Bonds and the Incredible Warrants.
- (b) The Company is subscribing for the Incredible Perpetual Bonds and the Incredible Perpetual Convertible Bonds for investment purposes and not subscribing for the Incredible Perpetual Bonds and the Incredible Perpetual Convertible Bonds with a view to subsequently offer the Incredible Perpetual Bonds and the Incredible Perpetual Convertible Bonds for sale to another person.
- (c) The Company will do all acts and things as may be required in order to comply with Section 272B and Section 277 of the SFA.
- (d) The Company will not convert the Incredible Perpetual Convertible Bonds and exercise the Incredible Warrants to acquire shares which (taken together with shares held or acquired by persons acting in concert with it) carry 30% or more of the voting rights of Incredible.
- (e) The Company will not convert the Incredible Perpetual Convertible Bonds and exercise the Incredible Warrants to acquire a controlling interest under the Catalist Rules without prior approval of shareholders of Incredible in general meeting.
- (f) Save that the Company is a corporation in whose shares Incredible's directors and substantial shareholders have an aggregate interest of at least 10%, the Company is not (i) a substantial shareholder of Incredible; (ii) a substantial shareholder, related company, associated company or sister company of a substantial shareholder of

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## LETTER TO SHAREHOLDERS

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Incredible; and (iii) to the best of its knowledge, information and belief, a person who, in the opinion of the SGX-ST, falls within (i) or (ii).

- (g) The Company will not (i) acquire the Incredible Perpetual Bonds, the Incredible Perpetual Convertible Bonds and/or the Incredible Warrants and/or (ii) convert the Incredible Perpetual Convertible Bonds and/or exercise the Incredible Warrants to the extent that would result in a very substantial acquisition or a reverse takeover by the Company under the Catalist Rules.

The Company is not acting in accordance with the instructions or direction of any director or shareholder of Incredible, nor is the Company under any obligation to act in accordance with the instructions or direction of any director or shareholder of Incredible.

### 4.7 Principal Terms and Conditions of the Incredible Perpetual Bonds

The following is a summary of the principal terms and conditions of the Incredible Perpetual Bonds:

Issuer of Incredible Perpetual Bonds	:	Incredible Holdings Ltd..
Size of Incredible Perpetual Bonds	:	The Company will subscribe for S\$6,900,000 aggregate principal amount of Incredible Perpetual Bonds to be issued by Incredible.
Issue Date of Incredible Perpetual Bonds	:	On the Completion Date of the Incredible Subscription Agreement.
Issue Price of Incredible Perpetual Convertible Bonds	:	100% of the principal amount of the Incredible Perpetual Bonds, or S\$1.00 for each S\$1.00 in principal amount of the Incredible Perpetual Bonds.
Form and Denomination	:	The Incredible Perpetual Bonds will be issued in registered form and in the denomination of S\$1.00 each.
Status of the Incredible Perpetual Bonds	:	The Incredible Perpetual Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of Incredible and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves and <i>pari passu</i> with all other present and future direct, unconditional, unsecured and unsubordinated obligations of Incredible, save for such exceptions as may be provided by mandatory provisions under applicable laws and regulations.
Conversion Right	:	The Incredible Perpetual Bonds shall have no conversion right and will not be convertible into new ordinary shares in Incredible.
Listing and Trading of the Incredible Perpetual Bonds	:	The Incredible Perpetual Bonds will not be listed and quoted on the Catalist of the SGX-ST.
Coupon	:	The Incredible Perpetual Bonds shall not bear any interest.
Maturity Date	:	The Incredible Perpetual Bonds will be perpetual and will have no fixed maturity date.

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## LETTER TO SHAREHOLDERS

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

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

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

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

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

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

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

#### 4.8 Principal Terms and Conditions of the Incredible Perpetual Convertible Bonds

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

Issuer of Incredible Perpetual Convertible Bonds : Incredible Holdings Ltd..

Size of Incredible Perpetual Convertible Bonds : The Company will subscribe for S\$2,100,000 aggregate principal amount of Incredible Perpetual Convertible Bonds to be issued by Incredible.

Issue Date of Incredible Perpetual Convertible Bonds : On the Subscription Completion Date of the Incredible Subscription Agreement.

Issue Price of Incredible Perpetual Convertible Bonds : 100% of the principal amount of the Incredible Perpetual Convertible Bonds, or S\$1.00 for each S\$1.00 in principal amount of the Incredible Perpetual Convertible Bonds.

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## LETTER TO SHAREHOLDERS

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- Form and Denomination : The Incredible Perpetual Convertible Bonds will be issued in registered form and in the denomination of S\$1.00 each.
- Status of the Incredible Perpetual Convertible Bonds : The Incredible Perpetual Convertible Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of Incredible 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 Incredible, save for such exceptions as may be provided by mandatory provisions under applicable laws and regulations.
- Conversion Right : The Incredible Perpetual Convertible Bonds shall, at the option of the holder thereof, be convertible into Incredible Conversion Shares at the Incredible Conversion Price. The conversion right may be exercised at any time after the date of issue of the Incredible Perpetual Convertible Bonds and if the Incredible Perpetual Convertible Bonds have been called for redemption by Incredible, then before 5.00 p.m. on a date no later than ten days prior to the date fixed for redemption of such Incredible Perpetual Convertible Bonds.
- The number of Incredible Conversion Shares to be issued by Incredible upon conversion of the Incredible Perpetual Convertible Bonds will be determined by dividing the principal amount of the Incredible Perpetual Convertible Bonds to be converted by the Incredible Conversion Price in effect at the conversion date.
- Fractions of an Incredible Conversion Share will not be issued upon conversion of the Incredible Perpetual Convertible Bonds and no cash adjustments will be made in respect of such fractions of Incredible Conversion Shares.
- Registration : As soon as practicable, and in any event not later than 15 market days after the conversion date, Incredible will, in the case of Incredible Perpetual Convertible Bonds converted on exercise of the Conversion Right and in respect of which a duly completed conversion notice has been delivered and the relevant Certificate and amounts payable by the relevant Bondholder as required have been paid, procure that the relevant number of conversion shares to be issued on conversion of the Incredible Perpetual Convertible Bonds are allotted to and registered in the name of CDP for credit to the securities account designated for the purpose in the conversion notice for so long as the Incredible Conversion Shares are listed on the Catalist Board of the SGX-ST, together with any other documents as may be required by law to effect the allotment thereof.
- Number of Incredible Conversion Shares : Assuming there are no adjustments to the Incredible Conversion Price subsequent to the issuance of the Incredible Perpetual Convertible Bonds, Incredible will issue 525,000,000 Incredible Conversion Shares upon

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## LETTER TO SHAREHOLDERS

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conversion of all of the Incredible Perpetual Convertible Bonds.

The 525,000,000 Incredible Conversion Shares represents:

- (a) approximately 17.54% of the existing total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 2,993,532,545 ordinary shares; and
- (b) approximately 14.92% of the enlarged total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 3,518,532,545 ordinary shares, assuming that 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds.

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

Listing and Trading of the Incredible Perpetual Convertible Bonds and the Incredible Conversion Shares : The Incredible Perpetual Convertible Bonds will not be listed and quoted on the Catalist of the SGX-ST.  
Incredible will be making an application to the SGX-ST through its sponsor, Hong Leong Finance Limited, for the listing and quotation of the Incredible Conversion Shares on the Catalist Board of the SGX-ST.

Incredible Conversion Price : S\$0.004

The Incredible Conversion Price of S\$0.004 represents a premium of 27.39% to the weighted average price of S\$0.00314 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of Incredible were traded prior to the signing of the Incredible Subscription Agreement on 31 December 2021.

Incredible Conversion Price (effective price) : S\$0.00243

The effective price of Conversion Price is calculated by assuming the full conversion of 525,000,000 Conversion Shares accompanied by the exercise of all 1,000,000,000 warrants.

The Incredible Conversion Price of S\$0.00243 was arrived at arm's length and on a willing buyer-willing-seller-basis, taking into consideration the Incredible Exercise Price of the Warrants, the weighted average price of Incredible's shares on the last market day preceding the date of the Incredible Subscription Agreement, which represents a discount of 22.73% to the

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## LETTER TO SHAREHOLDERS

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weighted average price of S\$0.00314 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of Incredible were traded prior to the signing of the Incredible Subscription Agreement on 31 December 2021.

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

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

Coupon : Zero coupon.

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

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

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

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

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

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

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

### 4.9 Principal Terms and Conditions of the Incredible Warrants

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

Issuer of Incredible Warrants : Incredible Holdings Ltd.

Number of Incredible Warrants : The Company will subscribe for 1,000,000,000 Incredible Warrants to be issued by Incredible.

Form and Subscription Right : The Warrants will be constituted by a deed poll ("**Subscription Deed Poll**") and will be issued in registered form. Each Incredible Warrant shall grant the holder thereof the right to subscribe for one Incredible Exercised Shares at the Incredible Exercise Price at any time during the Incredible Exercise Period subject to the terms and conditions of the Incredible Warrants in the Subscription Deed Poll.

Number of Incredible Exercised Shares : Assuming there are no adjustments to the number of Incredible Warrants, Incredible will issue 1,000,000,000 Incredible Exercised Shares upon exercise of all of the Incredible Warrants.

The 1,000,000,000 Incredible Exercised Shares represents:

- (a) approximately 33.41% of the existing total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 2,993,532,545 ordinary shares; and
- (b) approximately 25.04% of the enlarged total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 3,993,532,545 ordinary shares, assuming that 1,000,000,000 Incredible Exercised Shares were issued by Incredible upon exercise of all of the Incredible Warrants.

The 525,000,000 Incredible Conversion Shares and the 1,000,000,000 Incredible Exercised Shares represent:

- (c) approximately 50.94% of the existing total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 2,993,532,545 ordinary shares; and
- (d) approximately 33.75% of the enlarged total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 4,518,532,545 ordinary shares, assuming that 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds and that 1,000,000,000



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Incredible Exercised Shares were issued by Incredible upon exercise of all of the Incredible Warrants.

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

Listing and Trading of the Incredible Warrants and the Incredible Exercised Shares : The Incredible Warrants are expected to be listed and quoted on the Catalist Board of the SGX-ST.

Incredible will be making an application to the SGX-ST through its sponsor, Hong Leong Finance Limited, for the listing and quotation of the Incredible Warrants and the Incredible Exercised Shares on the Catalist Board of the SGX-ST.

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

Incredible Exercise Price : S\$0.0016

The Incredible Exercise Price of S\$0.0016, was arrived at arm's length and on a willing buyer-willing-seller-basis, taking into consideration the VWAP of the last market day prior to the Incredible Subscription Agreement, represents a discount of 49.04% to the weighted average price of S\$0.00314 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last market day on which the shares of Incredible were traded prior to the signing of the Incredible Subscription Agreement on 31 December 2021.

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

Adjustments : The number of Incredible Warrants and/or the Incredible Exercise Price are subject to adjustments under certain circumstances in accordance with the terms and

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conditions of the Incredible Warrants in the Subscription Deed Poll. Such circumstances include, without limitation, the following:

(a) *Consolidation or Subdivision or Conversion of Shares*

Any consolidation or subdivision, reclassification or conversion of the Shares (including a subdivision by way of a bonus issue by the Company of Shares credited as fully paid without capitalisation of profits or reserves);

(b) *Capitalisation Issues*

Any issue of Shares by the Company to its Shareholders credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Shareholders who had an option to take cash or other dividend in lieu of the relevant Shares);

(c) *Capital Distribution or Rights Issues*

(i) A capital distribution made by the Company to its Shareholders whether on a reduction of capital or otherwise; or

(ii) Any offer or invitation made by the Company to Shareholders by way of rights whereunder they may acquire or subscribe for Shares by way of rights or issue or grant to the Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares

(d) *Concurrent Capitalisation Issue and rights Issue*

Any allotment made by the Company to its Shareholders as provided in paragraph (b) and any offer or invitation is made by the Company to its Shareholders as provided in paragraph (c)(ii) and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation;

(e) *Issues at Discount other than by way of Rights*

Any issue of Shares (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under paragraphs (c)(ii) or (d) and other than an issue of Shares to Shareholders who had an option to take cash or other dividend in lieu of the relevant Shares) by the Company and the total effective consideration for each Share is less than 90% of the current market price for each Share on SGX-ST on the date on which the issue price of such Shares is determined or, if such price is determined either before the close of business on the

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## LETTER TO SHAREHOLDERS

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SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day.

Incredible will make an application to the SGX-ST through its sponsor, Hong Leong Finance Limited, for the listing and quotation of any additional Incredible Warrants and any additional Incredible Exercised Shares on the Catalist Board of the SGX-ST as and when there are any adjustments made to the number of Incredible Warrants and/or the Incredible Exercise Price.

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

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

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

#### 4.10 Source of Funds

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 Incredible Perpetual Bonds of S\$6,900,000, the aggregate principal amount of Incredible Perpetual Convertible Bonds of S\$2,100,000 and the aggregate Incredible Exercise Price payable upon exercise of all of the Incredible 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.

The Proposed Subscription is conditional upon the completion of the Proposed Issuance.

#### 4.11 Consideration

The consideration for the Proposed Subscription is approximately S\$10.6 million as detailed above.

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The aggregate principal amount of Incredible Perpetual Bonds, Incredible Perpetual Convertible Bonds, Incredible Conversion Price, Incredible Warrants and the Incredible Exercise Price were 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 Incredible as at the date of the Incredible Subscription Agreement;
- (b) the upside of the new and existing businesses for Incredible; and
- (c) the prevailing economic conditions.

### 4.12 Principal Terms of the Incredible Subscription Agreement

#### 4.12.1 Subscription Completion Date

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

#### 4.12.2 Conditions Precedent

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

- (a) Incredible having obtained such approvals from its board of directors and shareholders in connection with the Incredible Subscription Agreement and the transactions contemplated therein as may be necessary, including but not limited to (aa) the issue of the Incredible Perpetual Bonds to the Company; (bb) the issue of the Incredible Perpetual Convertible Bonds to the Company and the issue of the Incredible Conversion Shares upon conversion of the Incredible Perpetual Convertible Bonds; (cc) the issue of the Incredible Warrants to the Company and the issue of the Incredible Exercised Shares upon exercise of the Incredible Warrants; (dd) the issue of new share certificates in respect of the Incredible Conversion Shares and the Incredible Exercised Shares; and (ee) the lodgement of the required statutory returns with the Accounting and Regulatory Authority of Singapore, and such approvals not having been amended or revoked before the Subscription Completion Date;
- (b) Incredible having obtained shareholders' approval from its shareholders for the transfer of controlling interest to the Company in connection with the Incredible Proposed Subscription pursuant to Catalist Rule 803;
- (c) the Company having obtained such approvals from its board of directors and shareholders (if applicable) in connection with the Incredible Subscription Agreement and the transactions contemplated therein as may be necessary;
- (d) Incredible having obtained the listing and quotation notice from the SGX-ST for the listing and quotation of the Incredible Warrants, the Incredible Conversion Shares and the Incredible Exercised Shares, and the listing and quotation notice not having been amended or revoked before the Subscription Completion Date, and if the listing and quotation notice is subject to conditions, such conditions being reasonably satisfactory to Incredible and, to the extent that such conditions are required to be fulfilled on or before the Subscription Completion Date;

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- (e) the Company complying with the applicable requirements under the Companies Act, the SFA, the Code, the Catalist Rules and applicable laws (to the extent that such laws relates to or affects the subscription);
- (f) there is no breach by the Company of its representations, warranties and undertakings contained in the Incredible Subscription Agreement;
- (g) each of the representations, warranties and undertakings remaining true and accurate in all material respects as at the Subscription Completion Date (by reference to the facts and circumstances then subsisting) with the same force and effect as if repeated on the Subscription Completion Date; and
- (h) all necessary consents, approvals and waivers where required for the transactions contemplated under the Incredible Subscription Agreement (including third party, governmental and regulatory consents, approvals and waivers) having been obtained by the Subscription Parties, and such consents, approvals and waivers not having been amended or revoked before the Subscription Completion Date, and if any such consents, approvals or waivers are subject to conditions, such conditions being fulfilled on or before the Subscription Completion Date.

#### 4.12.3 Subscription Long Stop Date

**“Subscription Long Stop Date”** means 12 months from the date of the Incredible Subscription Agreement, or such other later date as the Subscription Parties may agree in writing.

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

#### 4.12.4 Payment of the Incredible Issue Price for the Incredible Perpetual Bonds

The aggregate issue price for the Incredible Perpetual Bonds equal to 100% of the aggregate principal amount of the Incredible Perpetual Bonds of S\$6,900,000 shall be paid to Incredible in cash by way of cashier's order, cheque, telegraphic transfer or such other payment method as the Subscription Parties may agree in writing (i) free of any restriction or condition; (ii) free and clear and without any deduction or withholding for or on account of any tax; and (iii) without deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

#### 4.12.5 Payment of the Incredible Issue Price for the Incredible Perpetual Convertible Bonds

The aggregate issue price for the Incredible Perpetual Convertible Bonds equal to 100% of the aggregate principal amount of the Incredible Perpetual Convertible Bonds of S\$2,100,000 shall be paid to Incredible in cash by way of cashier's order, cheque, telegraphic transfer or such other payment method as the Parties may agree in writing (i) free of any restriction or condition; (ii) free and clear and without any deduction or withholding for or on account of any tax; and (iii) without deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

#### 4.12.6 Indemnity

The Company has agreed to indemnify, defend and hold harmless Incredible (and its directors, officers, employees, agents, representatives, affiliates, successors and assigns) from and against any and all losses, liabilities, fines, penalties, costs (including legal or arbitral costs, advisors', experts' and consultants' fees and costs of enforcement of any settlements, judgments or arbitral awards), charges, expenses, actions, proceedings, investigations, claims

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and demands which Incredible may at any time and from time to time sustain, incur or suffer by reason of:

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

#### 4.12.7 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 Incredible Subscription Agreement and the transactions contemplated therein.

#### 4.12.8 Governing Law and Jurisdiction

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

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

### 4.13 Shareholders' Approval for the Proposed Subscription

#### 4.13.1 Chapter 9 of the Catalist Rules

Incredible is an associate of Mr Christian Kwok-Leun Yau Heilesen, who is a director of the Company. Therefore, Incredible is an "interested person" under Chapter 9 of the Catalist Rules and the Proposed Subscription is an "interested person transaction" under Chapter 9 of the Catalist 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 Christian Kwok-Leun Yau Heilesen, Incredible and their associates for the period commencing on 1 January 2021 up to the date of the Latest Practicable Date is set out in the table below.

Description of Transaction	Before Completion of the Proposed Subscription		After Completion of the Proposed Subscription	
	Amount	% <sup>(1)</sup>	Amount	% <sup>(1)</sup>
Proposed Acquisition of Golden Ultra Limited from Mr Heilesen	S\$19.2 million <sup>(2)</sup>	213.33%	S\$19.2 million <sup>(2)</sup>	213.33%
Proposed Issuance of Perpetual Convertible Bonds and Warrants to Incredible by the Company	-	-	S\$42.3 million	470%
Proposed Subscription of Incredible Perpetual Bonds, Incredible	-	-	S\$10.6 million	117.78%

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Perpetual Convertible  
Bonds and Incredible  
Warrants by the  
Company

<b>Total</b>	<b>S\$19.2 million</b>	<b>213.33%</b>	<b>S\$72.1 million</b>	<b>801.11%</b>
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**Notes:**

- (1) As a percentage of the Group's latest audited NTA of approximately S\$9.0 million.  
(2) HK\$110 million equivalent to approximately S\$19.2 million.

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

Description of Transaction	Before Completion of the Proposed Subscription		After Completion of the Proposed Subscription	
	Amount	%( <sup>(1)</sup> )	Amount	%( <sup>(1)</sup> )
Proposed Acquisition of Golden Ultra Limited from Mr Heilesen	S\$19.2 million <sup>(2)</sup>	213.33%	S\$19.2 million <sup>(2)</sup>	213.33%
Proposed Issuance of Perpetual Convertible Bonds and Warrants to Incredible by the Company	-	-	S\$42.3 million	470%
Proposed Subscription of Incredible Perpetual Bonds, Incredible Perpetual Convertible Bonds and Incredible Warrants by the Company	-	-	S\$10.6 million	117.78%
<b>Total</b>	<b>S\$19.2 million</b>	<b>213.33%</b>	<b>S\$72.1 million</b>	<b>801.11%</b>

**Notes:**

- (1) As a percentage of the Group's latest audited NTA of approximately S\$9.0 million.  
(2) HK\$110 million equivalent to approximately S\$19.2 million.

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.

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- (b) Catalist 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.

The Proposed Subscription is an “interested person transaction” under Chapter 9 of the Catalist Rules of a value more than 5% of the Group's latest audited NTA.

Accordingly, the Company will be convening an EGM to seek shareholders' approval from independent shareholders of the Company for the Proposed Subscription as an interested person transaction. Mr Christian Kwok-Leun Yau Heilesen, Incredible and their associates shall not vote on the resolution approving the Incredible IPT Resolution, nor accept appointments as proxies unless specific instructions as to voting are given, in accordance with Catalist Rule 919.

#### 4.13.2 Chapter 10 of the Catalist Rules

The relative figures computed on the bases set out in Catalist Rule 1006 for the Proposed Subscription are as follows:

Catalist Rule 1006(a)	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. <sup>(1)</sup>	Not Applicable <sup>(2)</sup>
Catalist Rule 1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. <sup>(3)</sup>	Not Applicable <sup>(4)</sup>
Catalist Rule 1006(c)	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.	98.72% <sup>(5)(6)(7)</sup>
Catalist Rule 1006(d)	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 <sup>(8)</sup>
Catalist Rule 1006(e)	The aggregate volume or amount of 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 and 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 <sup>(9)</sup>

**Notes:**

- (1) “Net assets” means total assets less total liabilities.  
 (2) The Proposed Subscription is an acquisition of assets not a disposal of assets.



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## LETTER TO SHAREHOLDERS

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- (3) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income and non-controlling interests.
- (4) There are no net profits attributable to the Incredible Perpetual Bonds, the Incredible Perpetual Convertible Bonds and the Incredible Warrants.
- (5) The aggregate maximum value to be paid by the Company in connection with the Proposed Subscription is approximately S\$10.1 million (comprising the aggregate principal amount of Incredible Perpetual Bonds of S\$6,900,000, the aggregate principal amount of Incredible Perpetual Convertible Bonds of S\$2,100,000 and the aggregate Incredible Exercise Price payable upon exercise of all of the Incredible Warrants held by the Company (which would not be distributed pursuant to the capital reduction to be undertaken as detailed in note 7) of S\$1,120,000 which represents approximately 98.72% of the Company's market capitalisation of approximately S\$0.007 on 30 December 2021, being the last full market day on which trades were done preceding the date of the Incredible Subscription Agreement. The Company's market capitalisation was determined by multiplying the number of shares in issue on 30 December 2021 (1,464,458,714 shares) by the weighted average price of such shares transacted on 30 December 2021 (S\$0.007).
- (6) The total number of shares of the Company (1,464,458,714 shares) utilised in computing the relative figure under Catalist Rule 1006(b) does not include the allotment and issuance of 102,050,000 new ordinary shares in the capital of the Company pursuant to the exercise of 102,050,000 unlisted warrants on 28 January 2022, as the share issuance occurred subsequent to the date of signing the Subscription Agreements. Shareholders are advised to read the full text of the announcement made by the Company on 28 January 2022, which is available on SGXNET, for further details on the issuance and allotment of new ordinary shares.
- (7) The Company will undertake the Proposed Capital Reduction and return to Entitled Shareholders surplus capital of the Company in excess of its needs by way of a distribution in specie of 300,000,000 Warrants to Entitled Shareholders in proportion to their respective shareholdings in the Company. For the avoidance of doubt, in the unlikely event should the Company not undertake the Proposed Capital Reduction, the Company will not exercise the 300,000,000 Warrants and the 300,000,000 Warrants will be returned to Incredible.
- (8) No equity securities will be issued by the Company in connection with the Proposed Subscription.
- (9) The Company is not a mineral, oil and gas company. The Proposed Subscription is an acquisition of assets not a disposal of assets.

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 Subscription is classified as a "major transaction" under Catalist Rule 1014. The Company will be seeking Shareholders' approval for the Proposed Subscription pursuant to Catalist Rule 1014 at the EGM to be convened.

#### 4.14 Service Contracts

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

#### 5. FINANCIAL EFFECTS OF THE PROPOSED ISSUANCE

For illustrative purposes only, the financial effects of the Proposed Issuance on the Company and the Group set out below have been prepared based on the unaudited consolidated financial statements of the Group for FY2021. The analysis set out below has been prepared purely for illustrative purposes only and does not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Proposed Issuance.

For the purpose of illustrating the financial effects, the financial effects of the Proposed Issuance have been prepared based on, *inter alia*, the following assumptions:

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- (a) the financial effects on the share capital of the Company, the NTA per Share of the Group and the gearing of the Group are computed assuming that:
- (i) the Announced Transactions were completed on 31 December 2021;
  - (ii) the Announced Transactions and the Proposed Issuance were completed on 31 December 2021 and no conversion of shares took place (“**Scenario A**”);
  - (iii) the Announced Transactions and the Proposed Issuance were completed on 31 December 2021 and 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds on 31 December 2021 (“**Scenario B**”);
  - (iv) the Announced Transactions and the Proposed Issuance were completed on 31 December 2021, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds on 31 December 2021 and 10,000,000,000 Exercised Shares were issued upon exercise of all of the Warrants on 31 December 2021 (“**Scenario C**”);
- (b) the financial effects on the LPS of the Group are computed assuming that:
- (i) the Announced Transactions were completed on 1 January 2021;
  - (ii) the Announced Transactions and the Proposed Issuance were completed on 1 January 2021 and no conversion of shares took place (“**Scenario D**”);
  - (iii) the Announced Transactions and the Proposed Issuance were completed on 1 January 2021 and 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds on 1 January 2021 (“**Scenario E**”);
  - (iv) the Announced Transactions and the Proposed Issuance were completed on 1 January 2021, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds on 1 January 2021 and 10,000,000,000 Exercised Shares were issued upon exercise of all of the Warrants on 1 January 2021 (“**Scenario F**”);
- (c) no redemption of the Perpetual Convertible Bonds have been made by the Company;
- (d) no adjustments have been made to the Conversion Price, the number of Warrants and the Exercise Price; and
- (e) the costs and expenses in connection with the Proposed Issuance shall be disregarded.

### 5.2 Share Capital

	<b>Before Completion of the Proposed Issuance</b>	<b>Scenario A</b>	<b>Scenario B</b>	<b>Scenario C</b>
Number of Shares, excluding treasury shares	1,566,508,714	1,566,508,714	4,266,778,741	14,266,778,741
Share Capital (S\$'000)	30,774	30,774	39,774	73,104

## LETTER TO SHAREHOLDERS

### 5.3 NTA per Share

	Before Completion of the Proposed Issuance	Scenario A	Scenario B	Scenario C
NTA as at 31 December 2021 (S\$'000)	9,868	9,868	18,868	52,198
Number of Shares, excluding treasury shares	1,566,508,714	1,566,508,714	4,266,778,741	14,266,778,741
NTA per Share (cents)	0.63	0.63	0.44	0.37

### 5.4 Gearing

	Before Completion of the Proposed Issuance	Scenario A	Scenario B	Scenario C
Net Debt/(Cash) <sup>(1)</sup> (S\$'000)	13,107	13,107	4,107	(29,223)
Equity attributable to owners of the parent (S\$'000)	9,868	9,868	18,868	52,198
Gearing <sup>(2)</sup> (times)	1.33	1.33	0.22	(0.56)

**Notes:**

- (1) Net debt means the aggregate amount of liabilities arising from bank and financial institutions, shareholder loans, trade and other payables and other liabilities less cash and cash equivalents.
- (2) Gearing means the ratio of the net debt to equity attributable to the owners of the parent.

### 5.5 LPS

	Before Completion of the Proposed Issuance	Scenario D	Scenario E	Scenario F
Net Earnings for FY2021 (S\$'000)	(4,109)	(4,159)	(4,159)	(4,159)
Weighted average number of Shares, excluding treasury shares	1,162,345,550	1,162,345,550	3,862,615,577	13,862,615,577
LPS (cents)	(0.35)	(0.36)	(0.11)	(0.03)

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## LETTER TO SHAREHOLDERS

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### 6. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

For illustrative purposes only, the financial effects of the Proposed Subscription on the NTA per share and the LPS of the Group have been prepared based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2021.

There are no net profits attributable to the assets being acquired in connection with the Proposed Subscription.

For the purpose of illustrating the financial effects, the financial effects of the Proposed Subscription have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects on the NTA per share of the Group are computed assuming that:
  - (i) the Announced Transactions were completed on 31 December 2021;
  - (ii) the Announced Transactions and the Proposed Subscription were completed on 31 December 2021 and no conversion of shares took place (“**Scenario A**”);
  - (iii) the Announced Transactions and the Proposed Subscription were completed on 31 December 2021 and 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds on 31 December 2021 (“**Scenario B**”); and
  - (iv) the Announced Transactions and the Proposed Subscription were completed on 31 December 2021, 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds on 31 December 2021 and 1,000,000,000 Incredible Exercised Shares were issued by Incredible upon exercise of all of the Incredible Warrants on 31 December 2021 (“**Scenario C**”);
- (b) the financial effects on the LPS of the Group are computed assuming that:
  - (i) the Announced Transactions were completed on 1 January 2021;
  - (ii) the Announced Transactions and the Proposed Subscription were completed on 1 January 2021 and no conversion of shares took place (“**Scenario D**”);
  - (iii) the Announced Transactions and the Proposed Subscription were completed on 1 January 2021 and 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds on 1 January 2021 (“**Scenario E**”); and
  - (iv) the Announced Transactions and the Proposed Subscription were completed on 1 January 2021, 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds on 1 January 2021 and 1,000,000,000 Incredible Exercised Shares were issued by Incredible upon exercise of all of the Incredible Warrants on 1 January 2021 (“**Scenario F**”);
- (c) no redemption of the Incredible Perpetual Bonds and Incredible Perpetual Convertible Bonds have been made by the Company;
- (d) no adjustments have been made to the Incredible Conversion Price, the number of Incredible Warrants and the Incredible Exercise Price; and
- (e) the costs and expenses in connection with the Proposed Subscription shall be disregarded.

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### 6.2 Financial Effects on the NTA per Share of the Group

	<b>Before Completion of the Proposed Subscription</b>	<b>Scenario A</b>	<b>Scenario B</b>	<b>Scenario C</b>
NTA as at 31 December 2021 (S\$'000)	9,868	9,868	9,868	9,868
Number of shares in the Company, excluding treasury shares and subsidiary holdings	1,566,508,714	1,566,508,714	1,566,508,714	1,566,508,714
NTA per share of the Group (Singapore cents)	0.63	0.63	0.63	0.63

### 6.3 Financial Effects on the LPS of the Group

	<b>Before Completion of the Proposed Subscription</b>	<b>Scenario D</b>	<b>Scenario E</b>	<b>Scenario F</b>
Net earnings for the financial year ended 31 December 2021 (S\$'000)	(4,109)	(4,159)	(4,159)	(4,159)
Weighted average number of shares in the Company, excluding treasury shares and subsidiary holdings	1,162,345,550	1,162,345,550	1,162,345,550	1,162,345,550
LPS of the Group (Singapore cents)	(0.35)	(0.36)	(0.36)	(0.36)

The financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Company and/or the Group. No representation is made as to the actual results and/or financial position of the Company and/or the Group.

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## LETTER TO SHAREHOLDERS

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### 7. FINANCIAL EFFECTS OF THE PROPOSED ISSUANCE AND THE PROPOSED SUBSCRIPTION

For illustrative purposes only, the financial effects of the Proposed Issuance and the Proposed Subscription on the Company and the Group set out below have been prepared based on the unaudited consolidated financial statements of the Group for FY2021. The analysis set out below has been prepared purely for illustrative purposes only and does not purport to be indicative or a projection of the result and financial position of the Company and the Group after completion of the Proposed Issuance and the Proposed Subscription.

For the purpose of illustrating the financial effects, the financial effects of the Proposed Issuance and the Proposed Subscription have been prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects on the share capital of the Company, the NTA per Share of the Group and the gearing of the Group are computed assuming that:
  - (i) the Announced Transactions were completed on 31 December 2021;
  - (ii) the Announced Transactions, the Proposed Issuance and the Proposed Subscription were completed on 31 December 2021 and no conversion of shares took place ("**Scenario A**");
  - (iii) the Announced Transactions, the Proposed Issuance and the Proposed Subscription were completed on 31 December 2021, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds on 31 December 2021 and 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds on 31 December 2021 ("**Scenario B**");
  - (iv) the Announced Transactions, the Proposed Issuance and the Proposed Subscription were completed on 31 December 2021, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds on 31 December 2020, 10,000,000,000 Exercised Shares were issued upon exercise of all of the Warrants on 31 December 2021, 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds on 31 December 2021 and 1,000,000,000 Incredible Exercised Shares were issued by Incredible upon exercise of all of the Incredible Warrants on 31 December 2021 ("**Scenario C**");
- (b) the financial effects on the LPS of the Group are computed assuming that:
  - (i) the Announced Transactions were completed on 1 January 2021;
  - (ii) the Announced Transactions, the Proposed Issuance and the Proposed Subscription were completed on 1 January 2021 and no conversion of shares took place ("**Scenario D**");
  - (iii) the Announced Transactions, the Proposed Issuance and the Proposed Subscription were completed on 1 January 2021, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds on 1 January 2021 and 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all the Incredible Perpetual Convertible Bonds on 1 January 2021 ("**Scenario E**");
  - (iv) the Announced Transactions, the Proposed Issuance and the Proposed Subscription were completed on 1 January 2021, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds

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on 1 January 2021, 10,000,000,000 Exercised Shares were issued upon exercise of all of the Warrants on 31 December 2021, 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds on 1 January 2021 and 1,000,000,000 Incredible Exercised Shares were issued by Incredible upon exercise of all of the Incredible Warrants on 1 January 2021 (“**Scenario F**”);

- (c) no redemption of the Perpetual Convertible Bonds, Incredible Perpetual Bonds and Incredible Perpetual Convertible Bonds have been made by the Company;
- (d) no adjustments have been made to the Conversion Price, the number of Warrants, the Exercise Price, Incredible Conversion Price, the number of Incredible Warrants and the Incredible Exercise Price; and
- (e) the costs and expenses in connection with the Proposed Issuance and the Proposed Subscription shall be disregarded.

### 7.2 Share Capital

	<b>Before Completion of the Proposed Issuance and the Proposed Subscription</b>	<b>Scenario A</b>	<b>Scenario B</b>	<b>Scenario C</b>
Number of Shares, excluding treasury shares	1,566,508,714	1,566,508,714	4,266,778,741	14,266,778,741
Share Capital (S\$'000)	30,774	30,774	39,774	73,104

### 7.3 NTA per Share

	<b>Before Completion of the Proposed Issuance and the Proposed Subscription</b>	<b>Scenario A</b>	<b>Scenario B</b>	<b>Scenario C</b>
NTA as at 31 December 2021 (S\$'000)	9,868	9,868	18,868	52,198
Number of Shares, excluding treasury shares	1,566,508,714	1,566,508,714	4,266,778,741	14,266,778,741
NTA per Share (cents)	0.63	0.63	0.44	0.37

### 7.4 Gearing

	<b>Before Completion of the Proposed Issuance and</b>	<b>Scenario A</b>	<b>Scenario B</b>	<b>Scenario C</b>
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## LETTER TO SHAREHOLDERS

	the Proposed Subscription			
Net Debt <sup>(1)</sup> (S\$'000)	13,107	13,107	4,107	(29,223)
Equity attributable to owners of the parent (S\$'000)	9,868	9,868	18,868	52,198
Gearing <sup>(2)</sup> (times)	1.33	1.33	0.22	(0.56)

### 7.5 LPS

For illustrative purposes only, the financial effects of the Proposed Issuance and the Proposed Subscription on the LPS of the Group have been prepared assuming, *inter alia*, that:

	Before Completion of the Proposed Issuance and the Proposed Subscription	Scenario D	Scenario E	Scenario F
Net Earnings for FY2021 (S\$'000)	(4,109)	(4,209)	(4,209)	(4,209)
Weighted average number of Shares, excluding treasury shares	1,162,345,550	1,162,345,550	3,862,615,577	13,862,615,577
LPS (cents)	(0.35)	(0.36)	(0.11)	(0.03)

### 8. DILUTION EFFECTS OF THE PROPOSED ISSUANCE

The interests of the Directors and the Substantial Shareholders in Shares as at the Latest Practicable Date before the Proposed Issuance are set out in paragraph 9.1 of this Circular.

As an illustration of the changes in interests of the Directors and the Substantial Shareholders in Shares after the Proposed Issuance, the table set out below has been prepared purely for illustrative purposes only assuming that no new Shares are issued by the Company (other than the Conversion Shares and the Exercised Shares, as the case may be).

	As at the date of this announcement		Scenario A <sup>(1)</sup>		Scenario B <sup>(2)</sup>	
	Number of Shares	% <sup>(3)</sup>	Number of Shares	% <sup>(4)</sup>	Number of Shares	% <sup>(5)</sup>
<u>Directors of the Company</u>						
Christian Kwok-Leun Yau Heilesen	171,314,400 <sup>(6)</sup>	10.94	2,871,584,427 <sup>(7)</sup>	68.95	12,871,584,427 <sup>(8)</sup>	90.87
Han Meng Siew <sup>(9)</sup>	27,881,640	1.78	27,881,640	0.65	27,881,640	0.2
<u>Substantial Shareholders of the Company</u>						
Zheng Ze Li	204,100,000	13.03	204,100,000	4.78	204,100,000	1.43
Incredible Holdings Ltd.	-	-	2,700,270,027	63.29	12,700,270,027	89.02
Other Shareholders	1,163,212,674	74.26	1,163,212,674	27.93	1,163,212,674	8.21
<b>Total</b>	<b>1,566,508,714</b>	<b>100.00</b>	<b>4,266,778,741</b>	<b>100.00</b>	<b>14,266,778,741</b>	<b>100.00</b>



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### Notes:

- (1) Assuming that the Proposed Issuance was completed and 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds.
- (2) Assuming that the Proposed Issuance was completed, 2,700,270,027 Conversion Shares were issued upon conversion of all of the Perpetual Convertible Bonds and 10,000,000,000 Exercised Shares were issued upon exercise of all of the Warrants.
- (3) Based on the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 1,566,508,714 ordinary shares as at the date of this Circular.
- (4) Based on the enlarged total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 4,266,778,741 ordinary shares assuming Scenario A.
- (5) Based on the enlarged total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 14,266,778,741 ordinary shares assuming Scenario B.
- (6) Mr Christian Kwok-Leun Yau Heilesen is deemed to have an interest in 171,314,400 ordinary shares in the Company held by Mission Well Limited.
- (7) Mr Christian Kwok-Leun Yau Heilesen is deemed to have an interest in 171,314,400 ordinary shares in the Company held by Mission Well Limited and will be deemed to have an interest in 2,700,270,027 ordinary shares in the Company held by Incredible Holdings Ltd..
- (8) Mr Christian Kwok-Leun Yau Heilesen is deemed to have an interest in 171,314,400 ordinary shares in the Company held by Mission Well Limited and will be deemed to have an interest in 12,700,270,027 ordinary shares in the Company held by Incredible Holdings Ltd..
- (9) Mr Han Meng Siew holds 11,390,640 ordinary shares in the Company and is deemed to have an interest in 16,491,000 ordinary shares in the Company held by his spouse, Mdm Goh Siok Kuan.

## 9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

### 9.1 Interests in Shares

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

	Direct Interest		Deemed Interest	
	Number of Shares	%( <sup>1</sup> )	Number of Shares	%( <sup>1</sup> )
<u>Directors</u>				
Christian Kwok-Leun Yau Heilesen <sup>(2)</sup>	-	-	171,314,400	10.94
Han Meng Siew <sup>(3)</sup>	11,390,640	0.73	16,491,000	1.05
<u>Substantial Shareholders (other than Directors)</u>				
Zheng Ze Li	204,100,000	13.03	-	-

### Notes:

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

### 9.2 Interests in the Proposed Issuance

Mr Christian Kwok-Leun Yau Heilesen is a director and a controlling shareholder of Incredible.

Mr Leung Kwok Kuen Jacob, Mr Leung Yu Tung Stanley and Ms Zhou Jia Lin are directors of Incredible.

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## LETTER TO SHAREHOLDERS

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Save as disclosed above, none of the Directors or the Substantial Shareholders has any interest, direct or indirect, in the Proposed Issuance other than through their respective shareholdings, direct or deemed, in the Company as disclosed in paragraph 9.1 of this Circular.

### 9.3 Interests in the Proposed Subscription

Mr Christian Kwok-Leun Yau Heilesen is a director and a controlling shareholder of Incredible.

Mr Leung Kwok Kuen Jacob, Mr Leung Yu Tung Stanley and Ms Zhou Jia Lin are directors of Incredible.

Save as disclosed above, none of the Directors or the Substantial Shareholders have any interest, direct or indirect, in the Proposed Subscription other than through their respective shareholdings, direct or deemed, in the Company as disclosed in paragraph 9.1 of this Circular.

## 10. IFA OPINION

W Capital Markets Pte. Ltd. has been appointed as the IFA pursuant to Catalist Rule 921(4)(a) to opine on whether the Proposed Issuance as an interested person transaction and the Proposed Subscription as an interested person transaction are on normal commercial terms and are prejudicial to the interests of the Company and its minority Shareholders and to advise the Non-Interested Directors in respect of the Proposed Issuance as an interested person transaction and the Proposed Subscription as an interested person transaction.

A copy of the Issuance IFA Letter and Subscription IFA Letter from the IFA to the Non-Interested Directors setting out its opinion and advice is reproduced in full in Appendix A and Appendix B to this Circular respectively.

### 10.1 Issuance IFA Letter

The following is an extract from the Issuance IFA Letter and should be read by Shareholders in conjunction with, and in the full context of, the full text of the Issuance IFA Letter. All terms and expressions used in the extract below shall have the same meanings ascribed to them respectively in the Issuance IFA Letter, unless otherwise stated.

#### ***"5. 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 Issuance. 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 Issuance:*

- (a) *the rationale for the Proposed Issuance, details of which are set out in Paragraph 4.1 of this IFA Letter;*
- (b) *the analysis of the historical financial performance and financial condition of the Group, details of which are set out in Paragraph 4.2 of this IFA Letter. In this regard, we note that the Conversion Price and the Exercise Price represent a discount of approximately 65.5% to the Proforma NAV per Share as at 31 December 2021 and would value the Group at a P/NAV ratio of 0.30 times;*
- (c) *the analysis of the market quotation and trading activity of the Shares, details of which are set out in Paragraph 4.3 of this IFA Letter. In this regard, we note the following:*

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## LETTER TO SHAREHOLDERS

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- *the Conversion Price and the Exercise Price represent a significant discount of approximately 74.1%, 68.4%, 67.4% and 55.6% to the VWAPs of the Shares for the 1-year, 6-month, 3-month and one-month periods prior to and including 31 December 2021 (being the date of the signing of the Subscription Agreement on 31 December 2021) respectively;*
  - *The Conversion Price and the Exercise Price represent a discount of approximately 58.3% to the closing price of the Shares of S\$0.008 on 31 December 2021 before the announcement of the signing of the Subscription Agreement.*
- (d) *in respect of Comparable Companies, we note that the P/NAV ratio of the Company (as implied by the Conversion Price and the Exercise Price) of 0.3 times is lower than the range of P/NAV ratios of the Comparable Companies of between 0.3 times and 8.9 times;*
- (e) *in respect of the Comparable Transactions, details of which are set out in Paragraph 4.5 of this IFA Letter, we note the following*
- *The interest rate of 0% per annum (ie. Interest-free) for the Perpetual Convertible Bonds is within the range of the Comparable Transactions but lower than the median and the average interest rate of 2.0% and 3.8% of the Comparable Transactions respectively;*
  - *The Conversion Price represents a discount of approximately 52.4% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement on 31 December 2021). In contrast, the Incredible Conversion Price in relation to the Proposed Subscription represents a discount of approximately 22.73% to the VWAP for trades done on 30 December 2021;*
  - *The discount of the Conversion Price is significantly higher than all the Comparable Transactions with conversion price that are at a discount, except for the proposed convertible loan for Plastiform Holdings Limited (whose shares have been suspended due to going concern issues), and is also significantly higher than the median and average discounts of 1.0% and 2.5% respectively. We further note that companies which issue convertible loans or bonds with conversion prices at a discount to their last traded market prices are with net liability positions. In comparison, the Group is in a positive net asset position as at 31 December 2021; and*
  - *The Conversion Price is approximately 0.3 times of the Group's Proforma NAV as at 31 December 2021, which is below the range of the P/NAV ratios of the Comparable Transactions.*
- (f) *the financial effects of the Proposed Issuance, details of which are set out in Paragraph 4.6 of this IFA Letter; and*
- (g) *other relevant considerations, details of which are set out in Paragraph 4.7 of this IFA Letter.*

***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 Issuance 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 steep discount of the Conversion Price and Exercise Price as compared to the VWAP of the Shares and the significant potential dilution to the public shareholders.***

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## LETTER TO SHAREHOLDERS

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### 10.2 Subscription IFA Letter

The following is an extract from the Subscription IFA Letter and should be read by Shareholders in conjunction with, and in the full context of, the full text of the Subscription IFA Letter. All terms and expressions used in the extract below shall have the same meanings ascribed to them respectively in the Subscription IFA Letter, unless otherwise stated.

#### **“5. 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 Subscription. 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 Subscription:*

- (a) *the rationale for the Proposed Subscription, details of which are set out in Paragraph 4.1 of this IFA Letter;*
- (b) *the analysis of the historical financial performance and financial condition of Incredible Group, details of which are set out in Paragraph 4.2 of this IFA Letter. In this regard, we note that the Incredible Effective Conversion Price represents a discount of 39.5% to the NAV per Share of Incredible as at 31 December 2021 and would value Incredible at a P/NAV ratio of 0.6 times;*
- (c) *the analysis of the market quotation and trading activity of the shares of Incredible, details of which are set out in Paragraph 4.3 of this IFA Letter. In this regard, we note the following:*
  - *the Incredible Effective Conversion Price represent a discount of approximately (60.3)%, (39.1)%, (39.3)% and (37.6)% to the VWAPs of the shares for the 1-year, 6-month, 3-month and 1-month periods prior to and including 31 December 2021 (being the date of the signing of the Incredible Subscription Agreement) respectively. The Incredible Effective Conversion Price is also lower than the highest closing prices of the shares for the 1-year period prior to and including 31 December 2021; and*
  - *the Incredible Effective Conversion Price represent a discount of approximately (21.6)% to the VWAP of the shares on 30 December 2021 (being the full market day prior to the signing of the Subscription Agreement);*
- (d) *in respect of Comparable Companies, we note that the P/NAV ratio of Incredible (as implied by the Incredible Effective Conversion Price) of 0.6 times is within the range of the P/NAV ratios of such Comparable Companies of between 0.3 times and 2.5 times, and below the mean and median P/NAV ratios of 1.2 times and 0.9 times respectively;*
- (e) *in respect of the Comparable Transactions, details of which are set out in Paragraph 4.5 of this IFA Letter, we note the following:*
  - *The Incredible Perpetual Bonds and Incredible Perpetual Convertible Bonds carry a coupon of zero interest, and this is within the range of the Comparable Transactions but lower than the median and the average interest rate of 2.0% and 3.8% of the Comparable Transactions respectively. In this regard, we further note that the Perpetual Convertible Bonds to be issued by the Company also do not yield any interest;*
  - *The Incredible Effective Conversion Price represent a discount of approximately 21.6% to the VWAP for trades done on 30 December 2021 (being the last full*

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## LETTER TO SHAREHOLDERS

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market day on which the shares of Incredible were traded prior to the signing of the Subscription Agreement). This is within the range for the Comparable Transactions and higher than the median and average discounts of 1.0% and 2.5% respectively. In contrast, the conversion price for the Perpetual Convertible Bonds to be issued by the Company represents a much higher discount of approximately 52.4% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement); and

- The Incredible Effective Conversion Price is approximately 0.6 times of Incredible Group's unaudited NAV as at 31 December 2021. This is within the range of the P/NAV ratios of the Comparable Transactions and below the median and average P/NAV of 1.0 time and 4.0 times respectively. In contrast, the conversion price of the Perpetual Convertible Bonds to be issued by the Company is approximately 0.3 times of the Proforma NAV per Share of the Company as at 31 December 2021 (after adjusting for subsequent share issuances up to the Latest Practicable Date);
- (f) in respect of the Comparable Perpetual Bonds Transactions, details of which are set out in Paragraph 4.6 of this IFA Letter, we note that the coupon rates for the Comparable Perpetual Bonds Transactions ranges between 2.25% to 3.80% per annum. In contrast, the Incredible Perpetual Bonds do not provide any coupon yields;
- (g) the financial effects of the Proposed Subscription, details of which are set out in Paragraph 4.7 of this IFA Letter; and
- (h) other relevant considerations, details of which are set out in Paragraph 4.8 of this IFA Letter.

**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 Subscription 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 the salient terms of the Proposed Subscription vis-à-vis those of the Proposed Issuance.**

Shareholders are advised to read and consider the Issuance IFA Letter and the Subscription IFA Letter in its entirety as reproduced in Appendix A and Appendix B to this Circular respectively and consider carefully the recommendations of the Non-Interested Directors in respect of the Proposed Issuance as an interested person transaction and the Proposed Subscription as an interested person transaction set out in paragraph 12.2 and paragraph 0 of this Circular.

### 11. SPECIAL COMMITTEE'S OPINION

The members of the Audit Committee comprise Mr Chay Yiowmin (who is considered independent for the purposes of the Proposed Issuance as an interested person transaction and the Proposed Subscription as an interested person transaction) and Mr Leung Kwok Kuen Jacob, Mr Leung Yu Tung Stanley and Ms Zhou Jia Lin (who are considered not independent for the purposes of the Proposed Issuance as an interested person transaction and the Proposed Subscription as an interested person transaction). Accordingly, the Company has constituted the Special Committee comprising Mr Chay Yiowmin, Mr Tao Yeoh Chi and Mr Han Meng Siew (the "Non-Interested Directors") to form a view on the Proposed Issuance as an interested person transaction and the Proposed Subscription as an interested person transaction.

**Assessment of the fairness of the zero interest Perpetual Convertible Bonds and discount of the Conversion Price for Proposed Issuance**

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## LETTER TO SHAREHOLDERS

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As mentioned in Paragraph 4.5 of the Issuance IFA Letter, the interest rate of 0% per annum (ie. Interest-free) for the Perpetual Convertible Bonds is within the range of selected transactions involving the issue of convertible loans or bonds by companies (excluding real estate investment trusts and business trusts) listed on the SGX-ST as announced between 1 January 2021 and 31 December 2021, but lower than the median and the average interest rate of 2.0% and 3.8% of the Comparable Transactions respectively. The Conversion Price represents a discount of approximately 52.4% to the VWAP for trades done on 30 December 2021 and is approximately 0.3 times of the Group's proforma net asset value as at 31 December 2021 as adjusted for the subsequent share issuances up to the Latest Practicable Date.

The Non-Interested Directors are of the view that, the proceeds from the Proposed Issuance will be used to subscribe for the Incredible Bonds and that the Incredible Bonds also do not yield any interest. The Non-Interested Directors are also of the view that, in order to raise more capital and to entice the counterparty to subscribe for more shares, and to compensate for the perceived lack of liquidity from the existing trading of Ntegrator shares due to the average volume traded on the SGX-ST for the past 3 months up to the Latest Practicable Date not exceeding 1% of the total number of outstanding shares, it is therefore necessary to have a discount to the subscription price. The Non-Interested Directors also considered that through the Proposed Issuance, the Company could broaden and diversify the Group's revenue streams and customer base by further cooperation with Incredible to expand the new and existing business of the Company with zero net fund flow impact to the Company.

### **Assessment of the fairness of the zero interest Incredible Perpetual bond and Incredible Perpetual Convertible Bonds, Incredible Conversion Price and Effective Price of the Incredible Conversion Shares for Proposed Subscription**

As mentioned in Paragraph 4.5 of the Subscription IFA Letter, the Incredible Conversion Price represents a premium of approximately 29.0% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of Incredible were traded prior to the signing of the Incredible Subscription Agreement on 31 December 2021). In contrast, the conversion price for the Incredible Perpetual Convertible Bonds and Incredible Warrants represents a discount of approximately 52.4% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of the Incredible were traded prior to the signing of the Incredible Subscription Agreement on 31 December 2021). Notwithstanding, the Board is of the view that the premium of the Incredible Conversion Price is reasonable in view of the effective price of the Incredible Conversion Shares represents a discount of approximately 21.6% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of the Issuer were traded prior to the signing of the Incredible Subscription Agreement on 31 December 2021). The Incredible Conversion Price and effective Incredible Conversion Price is approximately 1.0 times and 0.6 times respectively of the Group's proforma net asset value as at 31 December 2021.

The Non-Interested Directors are of the view that, the zero-interest bearing Incredible Perpetual Convertible Bonds may seem unfavourable on its own, but the deep discount of the Incredible Effective Conversion Price to VWAP would seem to compensate the lack of coupon interest. The zero-coupon interest is within the range of comparable transactions. The Non-Interested Directors also considered that through the Proposed Subscription, the Company could participate in the business growth and upside of the new and existing businesses of Incredible which will broaden and diversify the Group's revenue streams and customer base by further cooperation with Incredible to expand the new and existing business of the Company, without the need to utilise cash to invest in Incredible's shares as a long-term investment, assuming that the Company does not exercise the Incredible Warrants. The Non-Interested Directors also considered that the higher discount to VWAP of Conversion Price of Proposed Issuance was to compensate Incredible on the higher convertible amount of Perpetual Convertible Bonds of \$9,000,000 as compared to Incredible Perpetual Convertible Bonds of \$2,100,000. Having considered, *inter alia*, the terms of the Subscription Agreement, the Incredible Subscription Agreement, the financial effects and the rationale for the Proposed Issuance and the Proposed Subscription, as well as the opinion and the advice from the IFA as set out in the Issuance IFA Letter and the Subscription IFA Letter, the Special Committee is of the view that the Proposed

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## LETTER TO SHAREHOLDERS

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Issuance as an interested person transaction and the Proposed Subscription as an interested person transaction are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Special Committee further recommends any Shareholder who may require specific advice to consult his/her/its stockbroker, bank manager, solicitor, accountant or other professional adviser and strongly advises Shareholders to read this Circular, the Issuance IFA Letter and the Subscription IFA Letter in its entirety.

### **12. NON-INTERESTED DIRECTORS' RECOMMENDATIONS**

#### **12.1 The Proposed Issuance**

The Non-Interested Directors, having considered, *inter alia*, the terms of the Subscription Agreement, the financial effects and the rationale for the Proposed Issuance, are of the view that the Proposed Issuance is in the interests of the Company. Accordingly, the Non-Interested Directors recommend that Independent Shareholders vote in favour of the Issuance Resolution as set out in the Notice of EGM to be proposed at the EGM.

#### **12.2 The Proposed Issuance as an Interested Person Transaction**

The Non-Interested Directors, who comprise of the same members as the Special Committee, having considered, *inter alia*, the terms of the Subscription Agreement, the financial effects and the rationale for the Proposed Issuance as well as the opinion and the advice from the IFA as set out in the Issuance IFA Letter, are of the view that the Proposed Issuance as an interested person transaction is in the interests of the Company and that the Proposed Issuance as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Non-Interested Directors recommend that Independent Shareholders vote in favour of the IPT Resolution as set out in the Notice of EGM to be proposed at the EGM.

#### **12.3 The Transfer of Controlling Interest in connection with the Proposed Issuance**

The Non-Interested Directors, having considered, *inter alia*, the terms of the Subscription Agreement, the financial effects and the rationale for the Proposed Issuance, are of the view that the transfer of controlling interest in the Company to Incredible in connection with the Proposed Issuance is in the interests of the Company. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of the Controlling Interest Resolution as set out in the Notice of EGM to be proposed at the EGM.

#### **12.4 The Proposed Subscription**

The Non-Interested Directors, who comprise of the same members as the Special Committee, having considered, *inter alia*, the terms of the Incredible Subscription Agreement, the financial effects and the rationale for the Proposed Subscription, are of the view that the Proposed Subscription is in the interests of the Company. Accordingly, the Non-Interested Directors recommend that Independent Shareholders vote in favour of the Subscription Resolution as set out in the Notice of EGM to be proposed at the EGM.

#### **12.5 The Proposed Subscription as an Interested Person Transaction**

The Non-Interested Directors, having considered, *inter alia*, the terms of the Incredible Subscription Agreement, the financial effects and the rationale for the Proposed Subscription as well as the opinion and the advice from the IFA as set out in the Subscription IFA Letter, are of the view that the Proposed Subscription as an interested person transaction is in the interests of the Company and that the Proposed Subscription as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Accordingly, the Non-Interested Directors recommend that Independent

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## LETTER TO SHAREHOLDERS

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Shareholders vote in favour of the Incredible IPT Resolution as set out in the Notice of EGM to be proposed at the EGM.

### **13. ABSTENTION FROM VOTING**

#### **13.1 The Issuance Resolution**

Catalist Rule 812 provides, *inter alia*, that an issue must not be placed to corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10% or other restricted persons specified in Catalist Rule 812 unless specific shareholder approval for such a placement has been obtained, and the person, and its associates, must abstain from voting on the resolution approving the placement.

Mr Christian Kwok-Leun Yau Heilesen, who is a Director and a Substantial Shareholder, holds shares in Incredible representing approximately 59.14% of the total issued share capital of Incredible. Accordingly, Incredible is a corporation in whose shares the Directors and the Substantial Shareholders have an aggregate interest of at least 10%, and Mr Christian Kwok-Leun Yau Heilesen, Incredible and their respective associates shall abstain from voting on the Issuance Resolution.

#### **13.2 The IPT Resolution**

Catalist Rule 919 provides that 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.

Incredible is an associate of Mr Christian Kwok-Leun Yau Heilesen, who is a Director. Accordingly, Incredible is an interested person under Chapter 9 of the Catalist Rules, and Mr Christian Kwok-Leun Yau Heilesen, Incredible and their associates shall not vote on the IPT Resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

#### **13.3 The Subscription Resolution**

Mr Heilesen is (a) an executive director and controlling shareholder of the Company through shares held by Mission Well Limited; and (b) executive director and controlling shareholder of Incredible through shares held by Mission Well Limited and Go Best Holdings Limited.

Accordingly, Mr Heilesen and Mission Well will abstain from voting on the resolution in relation to the Subscription Resolution as a major transaction under Catalist Rule 1014.

#### **13.4 The Incredible IPT Resolution**

Catalist Rule 919 provides that 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.

Incredible is an associate of Mr Christian Kwok-Leun Yau Heilesen, who is a Director. Accordingly, Incredible is an interested person under Chapter 9 of the Catalist Rules, and Mr Christian Kwok-Leun Yau Heilesen, Incredible and their associates shall not vote on the Incredible IPT Resolution, nor accept appointments as proxies unless specific instructions as to voting are given.



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## LETTER TO SHAREHOLDERS

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### 14. EGM

The EGM, notice of which is set out on page N-1 of this Circular, will be held by electronic means on Thursday, 28 April 2022 at 12.00 p.m. (Singapore Time) for the purpose of considering and, if thought fit, passing with or without modifications, the Proposed Resolutions as set out in the Notice of EGM.

### 15. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 15.1 Attendance at the EGM

Due to the current COVID-19 situation in Singapore, Shareholders will not be able to attend the EGM in person. The EGM will be convened and held by electronic means. Alternative arrangements have been made by the Company to allow Shareholders to participate at the EGM through the live audio-visual webcast or the live audio-only stream. Shareholders are advised to read the notes to the Notice of EGM for more information.

#### 15.2 Participation at the EGM

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 in advance of the EGM;
- (c) arrangements by which the Board and 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.

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 notes to the Notice of EGM.

#### 15.3 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 18 April 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 Resolutions at the Virtual Information Session.

#### 15.4 Circular, Notice of EGM and Proxy Form

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

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## LETTER TO SHAREHOLDERS

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### 15.5 Submission of Questions

Shareholders will not be able to ask questions at the EGM during the live audio-visual webcast or the live audio-only stream. Shareholders may submit questions relating to the resolutions tabled for approval at the EGM in the following manner:

- (a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at [nil-egm@kckcs.com.sg](mailto:nil-egm@kckcs.com.sg); or
- (b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621,

in either case, by **12.00 p.m. (Singapore Time) on Saturday, 16 April 2022**. The Company will endeavour to address all substantial and relevant questions (determined by the Company in its sole discretion) received by **12.00 p.m. (Singapore Time) on Friday, 22 April 2022** (that is, at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms).

### 15.6 Appointment of the Chairman of the EGM as Proxy

A Shareholder who wishes to exercise his/her/its voting rights at the EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. The Proxy Form must be submitted to the Company in the following manner:

- (a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at [nil-egm@kckcs.com.sg](mailto:nil-egm@kckcs.com.sg); or
- (b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621,

in either case, by **12.00 p.m. (Singapore Time) on Monday, 25 April 2022** (that is, not less than 72 hours before the time fixed for holding the EGM). Shareholders are strongly encouraged to submit the completed and signed Proxy Forms to the Company's Share Registrar via email.

In appointing the Chairman of the EGM as proxy, a Shareholder must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy will be treated as invalid.

### 15.7 Depositors

A Depositor's name must appear on the Depository Register as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to access the live audio-visual webcast or the live audio-only stream, and to vote by appointing the Chairman of the EGM as proxy at the EGM.

### 15.8 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 Virtual Information Session at short notice. For the latest updates on the arrangements for the EGM and Virtual Information Session, 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>.**

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## LETTER TO SHAREHOLDERS

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### 16. 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 Issuance, the Proposed Subscription, 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.

### 17. CONSENT

W Capital Markets Pte. Ltd., as the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (a) its name and all references thereto, (b) the statements in paragraph 11 of this Circular, (c) the Issuance IFA Letter as set out in Appendix A to this Circular, and (d) the Subscription IFA Letter as set out in Appendix B to this Circular, in the form and context in which they appear in this Circular.

### 18. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 4 Leng Kee Road #06-04 SIS Building Singapore 1590887 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the constitution of the Company;
- (b) the annual report of the Company for FY2020;
- (c) the Subscription Agreement;
- (d) the Incredible Subscription Agreement;
- (e) the Issuance IFA Letter;
- (f) the Subscription IFA Letter; and
- (g) the letter of consent from the IFA referred to in paragraph 0 of this Circular.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send a written request via email to the Company at [ir@ntegrator.com](mailto:ir@ntegrator.com) to make an appointment in advance. The Company will allocate the date and the time when each Shareholder may come to the registered office of the Company to inspect the documents to limit the number of people who are present at the registered office of the Company at any one point in time. Such arrangements are subject to the prevailing regulations, orders advisories and guidelines relating to safe distancing, vaccination status and testing requirements which may be implemented by the relevant authorities from time to time.

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## LETTER TO SHAREHOLDERS

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Yours faithfully,

For and on behalf of the Board of Directors of  
**Ntegrator International Ltd.**

Chay Yiowmin  
Independent Non-Executive Chairman and Independent Non-Executive Director



**W CAPITAL MARKETS PTE. LTD.**

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

6 April 2022

Special Committee of Ntegrator International Ltd. in relation to the Proposed Issuance (the “**Recommending Directors**”)

Mr. Chay Yiowmin (Independent Non-Executive Chairman)  
Mr. Tao Yeoh Chi (Independent Non-Executive Director)  
Mr. Han Meng Siew (Executive Director)

Dear Sirs,

**THE PROPOSED ISSUANCE OF PERPETUAL CONVERTIBLE BONDS AND WARRANTS (THE “PROPOSED ISSUANCE”)**

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*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 6 April 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 1 January 2022, the Company announced, *inter alia*, that it has entered into a subscription agreement (the “**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 (the “**Perpetual Convertible Bonds**”) which shall, at the option of the holder thereof, be convertible into new ordinary shares in the Company (the “**Conversion Shares**”) at a conversion price of S\$0.003333 per Conversion Share (the “**Conversion Price**”), on the terms and conditions specified in the Subscription Agreement; and
- (b) 10,000,000,000 free warrants (the “**Warrants**”), each Warrant shall grant the holder thereof the right to subscribe for one new ordinary share in the Company (the “**Exercised Share**”) at an exercise price of S\$0.003333 (the “**Exercise Price**”), on the terms and conditions specified in the Deed Poll,

(the “**Proposed Issuance**”).

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

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## APPENDIX A – ISSUANCE IFA LETTER

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

Incredible is an associate of Mr Christian Kwok-Leun Yau Heilesen, who is a Director of the Company. Therefore, Incredible is an “interested person” under Chapter 9 of the Catalist Rules and the Proposed Issuance is an “interested person transaction” under Chapter 9 of the Catalist Rules of a value more than 5% of the Group’s latest audited NTA.

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 Issuance as an Interested Person Transaction. This letter (“**IFA Letter**”) sets out, *inter alia*, our evaluation of and opinion on the Proposed Issuance. This IFA Letter forms part of the Circular issued by the Company to its Shareholders in connection with, *inter alia*, the Proposed Issuance.

### 2. TERMS OF REFERENCE

The purpose of this IFA Letter is to provide an independent opinion on whether the terms of the Proposed Issuance is on normal commercial terms and whether the Proposed Issuance 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 Issuance 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 Issuance, nor were we involved in the deliberations leading up to the decision on the part of the Directors to undertake the Proposed Issuance. Accordingly, we do not, by this IFA Letter, warrant the merits of the Proposed Issuance 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 Issuance.

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 16 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 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 Issuance. 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.

## APPENDIX A – ISSUANCE IFA LETTER

The information on which we relied was based upon market, economic, industry, monetary and other conditions prevailing as at 4 April 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 Issuance, 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 Issuance should be considered in the context of the entirety of this IFA Letter and the Circular.**

### 3. THE PROPOSED ISSUANCE

#### 3.1 Information on Incredible

Information on Incredible is set out in Paragraph 3.5 of the Circular.

#### 3.2 Principal terms and conditions of the Perpetual Convertible Bonds and the Conversion Shares

The principal terms of the Perpetual Convertible Bonds and the Conversion Shares have been extracted from Paragraph 3.7 of the Circular and reproduced in italics below. All terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Circular unless otherwise stated.

<i>Issuer of Perpetual Convertible Bonds</i>	:	<i>Ntegrator International Ltd.</i>
<i>Size of Perpetual Convertible Bonds</i>	:	<i>The Company will issue S\$9,000,000 aggregate principal amount of Perpetual Convertible Bonds.</i>
<i>Issue Price of Perpetual Convertible Bonds</i>	:	<i>100% of the principal amount of the Perpetual Convertible Bonds, or S\$1.00 for each S\$1.00 in principal amount of the Perpetual Convertible Bonds.</i>
<i>Status of the Perpetual Convertible Bonds</i>	:	<i>The Perpetual Convertible Bonds 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.</i>
<i>Number of Conversion Shares</i>	:	<i>Assuming there are no adjustments to the Conversion Price, the Company will issue 2,700,270,027 Conversion Shares upon conversion of all of the Perpetual Convertible Bonds.</i>  <i>The 2,700,270,027 Conversion Shares represents:</i>

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		<p>(a) <i>approximately 172.38% of the existing total issued share capital of the Company (excluding treasury shares) comprising 1,566,508,714 Shares; and</i></p> <p>(b) <i>approximately 63.29% of the enlarged total issued share capital of the Company (excluding treasury shares) comprising 4,266,778,741 Shares, assuming that 2,700,270,027 Conversion Shares were issued by the Company upon conversion of all of the Perpetual Convertible Bonds.</i></p>
<i>Conversion Price</i>	:	<p>S\$0.003333</p> <p><i>The Conversion Price of S\$0.003333 represents a discount of 52.39% to the weighted average price of S\$0.007 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement on 31 December 2021.</i></p> <p><i>The Conversion Price was arrived at after (i) arm's length negotiations between Incredible and the Company on a willing-buyer willing-seller basis, (ii) latest available open market value of Incredible and the Company, (iii) in view of further co-operation with Incredible to expand the new and existing business of the Company and (iv) the Company's proposed rights cum warrants issue where the Exercise Price is priced the same as the rights issue price before share consolidation which is announced on 31 December 2021. Additionally, it gives Incredible an opportunity and incentive to commit, participate and further their investment in the Company with the Company being able to convert the bonds to equity in the future.</i></p> <p><i>Taking into account the Exercise Price of the Warrants, the effective price of the Conversion Shares is the same as that of the Warrants, being S\$0.003333, which represents a discount of 52.39% to the weighted average price of S\$0.007 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement on 31 December 2021.</i></p>
<i>Coupon</i>	:	<i>The Perpetual Convertible Bonds shall not bear any interest.</i>
<i>Maturity Date</i>	:	<i>The Perpetual Convertible Bonds will be perpetual convertible bonds and will have no fixed maturity date.</i>

Further details of the principal terms of the Perpetual Convertible Bonds are set out in Paragraph 3.7 of the Circular.

**3.3 Principal terms and conditions of the Warrants and the Exercised Shares**

The principal terms of the Warrants and the Exercised Shares have been extracted from Paragraph 3.8 of the Circular and reproduced in italics below. All terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Circular unless otherwise stated.



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<i>Issuer of Warrants</i>	:	<i>Ntegrator International Ltd.</i>
<i>Number of Warrants</i>	:	<i>The Company will issue 10,000,000,000 Warrants.</i>
<i>Number of Exercised Shares</i>	:	<p><i>Assuming there are no adjustments to the number of Warrants, the Company will issue 10,000,000,000 Exercised Shares upon exercise of all of the Warrants.</i></p> <p><i>The 10,000,000,000 Exercised Shares represents:</i></p> <ul style="list-style-type: none"> <li><i>(a) approximately 638.36% of the existing total issued share capital of the Company (excluding treasury shares) comprising 1,566,508,714 Shares; and</i></li> <li><i>(b) approximately 86.46% of the enlarged total issued share capital of the Company (excluding treasury shares) comprising 11,566,508,714 Shares, assuming that 10,000,000,000 Exercised Shares were issued by the Company upon exercise of all of the Warrants.</i></li> </ul> <p><i>The 2,700,270,027 Conversion Shares and the 10,000,000,000 Exercised Shares represent:</i></p> <ul style="list-style-type: none"> <li><i>(a) approximately 810.74% of the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 1,566,508,714 ordinary shares; and</i></li> <li><i>(b) approximately 89.02% of the enlarged total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 14,266,778,741 Shares, assuming that 2,700,270,027 Conversion Shares were issued by the Company upon conversion of all of the Perpetual Convertible Bonds and that 10,000,000,000 Exercised Shares were issued by the Company upon exercise of all of the Warrants.</i></li> </ul>
<i>Exercise Price</i>	:	<p><i>S\$0.003333</i></p> <p><i>The Exercise Price of S\$0.003333 represents a discount of 52.39% to the weighted average price of S\$0.007 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement on 31 December 2021.</i></p> <p><i>The Exercise Price was arrived at after (i) arm's length negotiations between Incredible and the Company on a willing-buyer willing-seller basis, (ii) latest available open market value of Incredible and the Company, (iii) in view of further co-operation with Incredible to expand the new and existing business of the Company and (iv) the Company's proposed rights cum warrants issue where the Exercise Price is priced the same as the rights issue price before share consolidation which is announced on 31 December 2021. Additionally, it gives Incredible an opportunity and incentive to commit, participate and further their investment in the Company with the Company being able to convert the bonds to equity in the future.</i></p>

Further details of the principal terms of the Warrants and the Exercised Shares are set out in Paragraph 3.8 of the Circular.

**4. EVALUATION OF THE PROPOSED ISSUANCE AS AN INTERESTED PERSON TRANSACTION**

In arriving at our opinion on whether the Proposed Issuance 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:

- 4.1 Rationale for the Proposed Issuance;
- 4.2 Historical financial performance and financial condition of the Group;
- 4.3 Market quotation and trading activity of the Shares;
- 4.4 Relative valuation analysis;
- 4.5 Precedent Transactions involving the issue of convertible loans/securities by companies listed on the SGX-ST;
- 4.6 Financial effects of the Proposed Issuance; and
- 4.7 Other relevant considerations.

**4.1 Rationale for the Proposed Issuance**

We have considered the rationale for the Proposed Issuance and Proposed Subscription by the Company as set out in Paragraph 2 of the Circular and we have set them out in italics below for your ease of reference:

*“The rationale for the Proposed Issuance and the Proposed Subscription is that the Company does not have to utilise its cash to subscribe for Incredible’s shares as a long-term investment which is different from the previous two placement exercises completed in June 2021 and November 2021. The Company does not intend to amend the utilization of net proceeds raised from the Second Placement Exercise which is for working capital purpose. Further, the unutilised fund is not sufficient to complete the Proposed Subscription.*

*As announced on 12 October 2021, the Company entered into a proposed acquisition of 55% of Golden Ultra Limited and proposed acquisition of 85% of Gadmore Group. On 18 October 2021 and 27 October 2021, Incredible announced the proposed acquisition of 42% of Golden Ultra Limited and proposed acquisition of 15% of Gadmore Group respectively. The Board is of the view that the Proposed Issuance and Proposed Subscription, the Proposed Gadmore Acquisition and the Proposed Golden Ultra Acquisition could foster closer cooperation between the Company and Incredible without using cash resources and enjoying growth in each other’s existing businesses.*

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

*As disclosed in **Section 3.10** of this Circular, the Company completed the First Placement Exercise on 30 June 2021 and the Second Placement Exercise on 12 November 2021. Shareholders of the Company are advised to read the full text of the announcements made by the Company on 25 May 2021, 28 May 2021, 23 June 2021, 29 June 2021 and 30 June 2021, which are available on SGXNET, for further details on the First Placement Exercise and the full text of the announcements made by the Company on 20 October 2021, 25 October 2021, 8 November 2021, 12 November 2021 and 29 November 2021, 23 December 2021 and 28 January 2022 which are available on SGXNET, for further details on the Second Placement Exercise.*

*In addition, as announced on 12 January 2022, the Board (only Directors who are not also on the board of directors on Incredible) is of the view that the Proposed Issuance and the Proposed Subscription are in the best interests of the Company as the Company intends: (a) to participate in the business growth and upside of the new and existing business of Incredible; (b) to*

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*subscribe for Incredible’s shares and with the Proposed Issuance, there will be zero net fund flow impact to the Company as the Company will not be required to utilise its cash to subscribe for Incredible’s shares as a long term investment, assuming that the Company does not exercise the warrants issued by Incredible; and (c) bring value to all Shareholders of the Company by way of the Group’s participation in the business growth and upside of the new and existing business of Incredible and as the Proposed Subscription will broaden and diversify the Group’s revenue streams and customer base. ”*

### 4.2 Historical financial performance and financial condition of the Company

A summary of the audited financial statements of the Group for the last 3 financial years ended 31 December 2020 (“FY2020”), 31 December 2019 (“FY2019”) and 31 December 2018 (“FY2018”) as well as the unaudited financial statements of the Group for the financial year ended 31 December 2020 (“FY2021”) is set out below:

#### Consolidated statements of comprehensive income

S\$'000	FY2018 Audited	FY2019 Audited	FY2020 Audited	FY2021 Unaudited
Revenue	32,171	30,240	23,102	25,695
Cost of sales	(25,142)	(23,758)	(21,178)	(20,190)
Gross profit	7,029	6,482	1,924	5,505
Other income	21	15	-	-
Other (losses)/gains – net	516	(47)	2,878	1,346
Distribution and marketing expenses	(122)	(133)	(118)	(24)
Administrative expenses	(8,730)	(9,271)	(9,056)	(9,198)
Finance expenses	(300)	(558)	(660)	(549)
<b>Loss before tax</b>	<b>(1,586)</b>	<b>(3,512)</b>	<b>(5,032)</b>	<b>(2,920)</b>
Income tax credit	7	-	-	-
<b>Net loss</b>	<b>(1,579)</b>	<b>(3,512)</b>	<b>(5,032)</b>	<b>(2,920)</b>
Other comprehensive income / (loss)	205	(134)	-	-
<b>Total comprehensive loss for the year</b>	<b>(1,374)</b>	<b>(3,646)</b>	<b>(5,032)</b>	<b>(2,920)</b>

Source: Company’s annual reports for FY2019 and FY2020, and the Group’s unaudited financial statements for FY2021

The Group’s revenue amounted to approximately S\$32.2 million, S\$30.2 million, S\$23.1 million and S\$25.7 million in FY2018, FY2019, FY2020 and FY2021 respectively. The Group was loss-making and recorded net loss of approximately S\$1.6 million, S\$3.5 million, S\$5.0 million and S\$2.9 million in FY2018, FY2019, FY2020 and FY2021 respectively.

In respect of FY2019, the Group recorded a revenue of S\$30.2 million, representing a decrease of 6.0% from approximately S\$32.2 million in FY2018. The Group’s revenue is contributed by its two business segments – Project Sales (which contributed 20.4% to total revenue) and Project Management and Maintenance Services (which contributed the remaining 79.4% to total revenue). The decrease in revenue was mainly due to decrease in revenue from Project Sales segment due mainly to delays in securing additional orders from customers in Singapore and Vietnam due to the US-China trade tension which eroded business confidence in the year. This was partially offset by increase in revenue from the Project Management and Maintenance Services segment. Overall, the Group report net loss attributable to equity holders of the Company of S\$2.0 million, compared to S\$0.9 million in FY2018.

In FY2020, the Group’s revenue continued to decline. The Group recorded a revenue of approximately S\$23.1 million in FY2020 representing a decrease of 23.5% from approximately S\$30.2 million in FY2019. The decrease in revenue was mainly due to a decrease in revenue from the Project Management and Maintenance Services segment which was affected by the COVID-19 pandemic, especially when work ceased completely for almost two months during the

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Circuit Breaker period and foreign workers were not allowed to work. This was partially offset by an increase in revenue from the Project Sales segment due mainly to a locally secured project and its partial completion in FY2020. Net loss attributable to equity holders of the Company widened and was approximately S\$2.8 million, representing an increase of 40.0%, compared to net loss attributable to equity holders of the Company of approximately S\$2.0 million for FY2019.

In FY2021, the Group's posted a revenue of S\$25.7 million representing an increase of 11.2% from FY2020, driven mainly by increase in revenue from the Project Management and Maintenance segment and Retail segment as foreign workers gradually obtained clearance from Ministry of Manpower to resume work, but partially offset by the decline in Project Sales Segment. Net loss attributable to equity holders of the Company in FY2021 reduced by 14.2% to approximately S\$2.4 million, compared to the net loss attributable to equity holders of the Company of approximately S\$2.8 million for FY2020.

### Unaudited balance sheet of the Group

<b>S\$'000</b>	<b>31 December 2021 Unaudited</b>
<u>Current asset</u>	
Cash and cash equivalents	4,963
Trade and other receivables	19,796
Inventories	315
	25,074
<u>Non-current assets</u>	
Property, plant and equipment	454
Right-of-use assets	1,632
Deferred income tax assets	778
	2,864
<b>Total assets</b>	<b>27,938</b>
<u>Current liabilities</u>	
Trade and other payables	5,446
Borrowings	11,977
	17,423
<u>Non-current liabilities</u>	
Borrowings	647
	647
<b>Total liabilities</b>	<b>18,070</b>
<b>Net assets</b>	<b>9,868</b>
<u>Equity</u>	
Share capital	29,948
Treasury shares	(11)
Accumulated losses	(15,657)
	14,280
Non-controlling interests	(4,412)
<b>Total equity</b>	<b>9,868</b>

Number of issued Shares (excluding Treasury Shares) as at 31 December 2021	1,464,458,714
NAV per Share (S\$) attributable to equity holders of the Company	0.0098

*Source: Unaudited financial statements of the Group for HY2021*

Based on the above, we note that as at 31 December 2021:

- (a) the assets of the Group comprised mainly trade and other receivables of approximately S\$19.8 million and cash and cash equivalents of approximately S\$5.0 million;
- (b) the liabilities of the Group comprised mainly borrowings of approximately S\$12.0 million and trade and other payables of approximately S\$5.4 million; and
- (c) the unaudited NAV of the Group attributable to equity holders of the Company was approximately S\$14.3 million.

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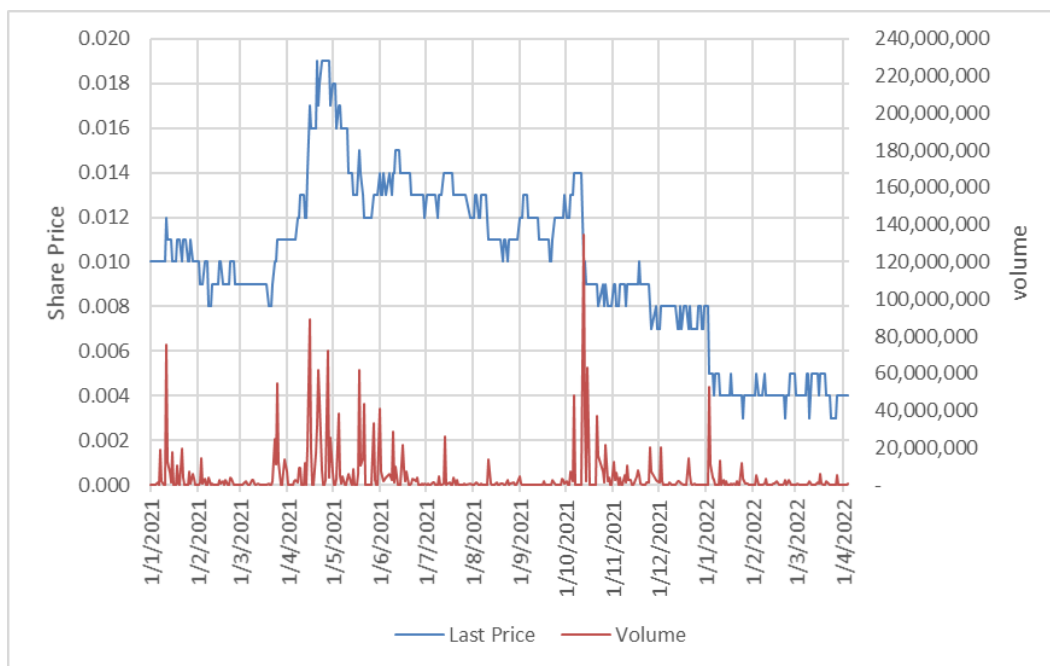
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On 28 January 2022, the Company announced that the number of ordinary shares in the capital of the Company has increased to 1,566,508,714 Shares, following the allotment and issuance of 102,050,000 new ordinary shares in the capital of the Company pursuant to the exercise of 38,800,000 unlisted warrants issued on 29 November 2021 at an exercise price of S\$0.0082 for each new ordinary shares.

The NAV of the Group attributable to equity holders of the Company (as adjusted for the above issuance of shares and the proceeds thereof) as at 31 December 2021 (“**Proforma NAV**”) will be approximately S\$15.1 million or S\$0.0097 per Share (“**Proforma NAV per Share**”) (based on 1,566,508,714 Shares). Accordingly, the Conversion Price and the Exercise Price represent a discount of approximately 65.5% to the Proforma NAV per Share as at 31 December 2021 and would value the Group at a P/NAV ratio of 0.3 times.

### 4.3 Market quotation and trading activity of the Shares

We set out below a chart showing the closing prices of the Shares and the number of Shares traded on a daily basis during the period commencing from 1 January 2021 (being 12 months prior to the date of signing of the Subscription Agreement on 31 December 2021) and ending on the Latest Practicable Date.



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In addition to the share price / trading volume chart, we have tabulated below selected statistics on the share price and trading liquidity of the Shares from 1 January 2021 to the Latest Practicable Date.

	VWAP (\$\$) <sup>(1)</sup>	(Discount) of Conversion Price and Exercise Price to VWAP (%) <sup>(2)</sup>	Highest closing price (\$\$) <sup>(1)</sup>	Lowest closing price (\$\$) <sup>(1)</sup>	Average daily trading volume ('000) <sup>(2) (3)</sup>	Average daily trading volume as a percentage of free float (%) <sup>(1) (4)</sup>
<b><u>For the period prior to the date of signing of the Subscription Agreement on 31 December 2021</u></b>						
12-month	0.013	(74.1)	0.019	0.007	6,665.5	0.584
6-month	0.011	(68.4)	0.014	0.007	4,816.9	0.422
3-month	0.010	(67.4)	0.014	0.007	8,222.3	0.721
1-month	0.008	(55.6)	0.008	0.007	2,228.9	0.195
30 December 2021 (being the full market day prior to the signing of the Subscription Agreement)	0.007 <sup>(5)</sup>	(52.4)	0.007	0.007	200.0	0.018
<b><u>For the period commencing from the date of signing of the Subscription Agreement up to the Latest Practicable Date</u></b>						
Till the Latest Practicable Date	0.005	(25.9)	0.008	0.003	2,326.1	0.204
Latest Practicable Date	0.004 <sup>(5)</sup>	(16.7)	0.004	0.004	522.0	0.046

Source: Bloomberg L.P.

**Notes:**

- (1) Rounded to the nearest three (3) decimal places.
- (2) Rounded to the nearest one (1) decimal place.
- (3) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the period divided by the number of market days during that period.
- (4) Free float refers to approximately 1,140.9 million shares or 80.0% of the issued share capital of the Company held by the public (as defined in the Listing Manual) as at the Latest Practicable Date.
- (5) Refers to the closing price of the Shares.

Based on the above, we note the following:

- (a) The daily closing prices of the Shares over the one-year period prior to and including 31 December 2021 (being the date of the signing of the Subscription Agreement on 31 December 2021) were between a low of S\$0.007 per Share and a high of S\$0.019 per Share, and the Conversion Price and the Exercise Price represent a significant discount of approximately 74.1%, 68.4%, 67.4% and 55.6% to the VWAPs of the Shares for the one-year, 6-month, 3-month and one-month periods prior to and including 31 December 2021 (being the date of the signing of the Subscription Agreement) respectively.
- (b) The Shares were not halted on the date of signing of the Subscription Agreement and announcement of the signing of the Subscription Agreement was made after the trading hours of 31 December 2021. The Conversion Price and the Exercise Price represent a discount of approximately 52.4% to the closing price of the Shares of S\$0.007 on 30 December 2021 (being the full market day prior to the signing of the Subscription Agreement on 31 December 2021).
- (c) The daily closing prices of the Shares after the date of signing of the Subscription Agreement to the Latest Practicable Date were between a low of \$0.003 per Share and a high of S\$0.008 per Share. The Conversion Price and the Exercise Price represent a discount of approximately 25.9% to the VWAP of the Shares for the period after the date of signing of the Subscription Agreement to the Latest Practicable Date.

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- (d) On the Latest Practicable Date, the closing price of the Shares was S\$0.004. The Conversion Price and the Exercise Price represent a discount of approximately 16.7% to the closing price of the Shares on the Latest Practicable Date.

We note the following with regard to the trading liquidity of the Shares:

- (a) Trading liquidity of the Shares during the one-year period prior to and including 31 December 2021 (being the date of the signing of the Subscription Agreement on 31 December 2021) has been low with an average daily trading volume of between approximately 2.2 million Shares and 8.2 million Shares representing between 0.2% and 0.7% of the free float of the Company; and
- (b) After the date of signing of the Subscription Agreement to the Latest Practicable Date, trading liquidity of the Shares remained low, with average daily trading volume of approximately 2.3 million Shares, representing approximately 0.2% of the Company's free float.

We wish to highlight that the market valuation of shares of a company traded on a securities exchange may be affected by, *inter alia*, the prevailing economic conditions, economic outlook, stock market conditions and sentiment, the corporate activities of the company, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given point in time. Shareholders are advised that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance. Shareholders are advised that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.

#### 4.4 Relative Valuation Analysis

In assessing the Conversion Price and the Proposed Issuance, we have also considered the valuation ratios of selected companies listed on the SGX-ST and which are in the information technology sector and in the provision of software and information technology services, which are broadly comparable with those of the Group (collectively, the “Comparable Companies”). The Company has on 12 October 2021 announced the acquisitions of (i) Golden Ultra Limited which is principally in the watch trading business and (ii) Gadmob Group (as defined in announcement of the Company dated 12 October 2021) which is principally in the provision of information technology services and digital advertising. As these acquisitions have not been completed as at the Latest Practicable Date and had not contributed to the financial results of the Group in FY2021, our analysis herein is based on the existing business of the Group.

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 the Group 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 the Group. Shareholders should also note that any comparison made with respect to the Comparable Companies merely serves as an illustrative guide and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Company as at the Latest Practicable Date.

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)
Azeus Systems Holdings Ltd	Singapore	Azeus Systems Holdings Ltd. provides information technology products and services. The Company offers business process outsourcing, system training, data	183.0

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<b>Company</b>	<b>Stock exchange</b>	<b>Business description (as extracted from Bloomberg)</b>	<b>Market Capitalisation as at the LPD (\$ million)</b>
		conversion, and consultancy services, as well as develops record management, social care, and paperless board meeting applications. Azeus Systems Holdings serves customers worldwide.	
CSE Global Ltd	Singapore	CSE Global Limited provides systems integration and information technology solutions, computer network systems, and industrial automation. The Company also designs, manufactures, and installs management information systems. CSE Global develops, manufactures, and sells electronic and micro processor monitoring equipment.	243.4
Plato Capital Ltd	Singapore	Plato Capital Limited manages and implements systems integration projects. The Company's services include E-Commerce system & services and application support services.	12.5
Revez Corp Ltd	Singapore	Revez Corporation Ltd. provides technology solutions. The Company offers multimedia, software-as-a-service, Internet of things, and artificial intelligence solutions. Revez Corporation operates in Singapore.	25.1
SinoCloud Group Ltd	Singapore	SinoCloud Group Limited provides information technology (IT) consulting, IT support and business transformation services for enterprises in the banking and financial services industry predominantly in China.	15.9

Source: Bloomberg L.P.

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

<b>Comparable Companies</b>	<b>Enterprise valuation<sup>(1)</sup> (\$ million)</b>	<b>EV/TTM EBITDA<sup>(1)</sup></b>	<b>TTM P/E<sup>(1)</sup></b>	<b>P/NAV<sup>(1)</sup></b>
Azeus Systems Holdings Ltd	157.2	20.2x	35.0x	8.9x
CSE Global Ltd	315.8	6.0x	10.6x	1.3x
Plato Capital Ltd	19.1	n.a <sup>(2)</sup>	n.a <sup>(3)</sup>	0.3x
Revez Corp Ltd	25.3	n.a <sup>(2)</sup>	n.a <sup>(3)</sup>	4.1x
SinoCloud Group Ltd	24.9	n.a <sup>(2)</sup>	n.a <sup>(3)</sup>	0.7x
<b>High</b>		<b>20.2x</b>	<b>35.0x</b>	<b>8.9x</b>
<b>Low</b>		<b>6.0x</b>	<b>10.6x</b>	<b>0.3x</b>
<b>Mean</b>		<b>13.1x</b>	<b>22.8x</b>	<b>3.1x</b>
<b>Median</b>		<b>13.1x</b>	<b>22.8x</b>	<b>1.3x</b>
<b>The Company (as implied by the Conversion Price)<sup>(4)</sup></b>		<b>n.a<sup>(4)</sup></b>	<b>n.a<sup>(4)</sup></b>	<b>0.3x<sup>(5)</sup></b>

Source: Bloomberg L.P. and W Capital computations



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### Notes:

- (1) *Market capitalisation, Enterprise valuation, EV/TTM EBITDA, TTM P/E and P/NAV 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) *Not applicable as the Company recorded negative EBITDA and net profit.*
- (5) *P/NAV multiple of the Company as implied by the Conversion Price is based on the NAV of the Group attributable to equity holders of the Company of S\$0.0112 per Share as mentioned in Paragraph 4.2 of this IFA Letter.*

Based on the above, we note that the P/NAV of the Company as implied by the Conversion Price of 0.3 times is lower than the range of P/NAV ratios of such Comparable Companies of between 0.3 times and 8.9 times.

### 4.5 Precedent Transactions Involving the Issue of Convertible Loans/Securities by Companies Listed on the SGX-ST

In assessing the Conversion Price and the Exercise Price, we have made reference to the salient statistics of selected transactions involving the issue of convertible loans or bonds by companies (excluding real estate investment trusts and business trusts) listed on the SGX-ST as announced between 1 January 2021 and 31 December 2021 (collectively, the “**Comparable Transactions**”).

In making the comparison herein, we wish to highlight that the figures used in our assessment have been extracted where available and/or applicable from the relevant announcements, circulars, and other publicly available sources. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

Shareholders should note that certain circumstances and terms relating to the Comparable Transactions are unique and might not be identical to the Perpetual Convertible Bonds, and are dependent on various factors such as the financial performance and profile of the companies, the volatility and trading liquidity of the shares of the companies, and the market sentiments prevailing at the time of such Comparable Transactions.

The selected companies which are included in the Comparable Transactions might be different from the Company in terms of business activities, scale of operations, types of products and/or services, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. As such, any comparison made with respect to the Comparable Transactions is necessarily limited and intended to serve for illustrative purpose only.

For the purpose of our assessment and for illustration, we have summarized the key terms of these Comparable Transactions including, *inter alia*, the principal size, the interest rate, the conversion price, premium/(discount) to market price prior to the announcement, and conversion price to NAV ratio.

<b>Company</b>	<b>Date of announcement</b>	<b>Principal amount</b>	<b>Coupon/ interest per annum</b>	<b>Conversion price</b>	<b>Premium/(Discount) of conversion price over/to market price prior to announcement<sup>(1)</sup></b>	<b>Conversion price / NAV<sup>(2)</sup></b>
Oxley Holdings Limited	7 Jan 21	US\$80 m	4.5%	S\$0.25	13.6% <sup>(3)</sup>	1.0x
Medi Lifestyle Limited	29 Jan 21	S\$2.25 m	10.0%	S\$0.04	3.1%	6.8x
Singapore Exchange Limited	2 Feb 21	EUR240 m	Interest-free	S\$13.0944	32.0%	11.1x
HealthBank Holdings Limited	23 Mar 21	S\$3.3 m	Interest-free	S\$0.088	0.0%	0.5x
OIO Holdings Limited	29 Mar 21	US\$2.4 m	8.0%	S\$0.178	(9.6)%	n.m. <sup>(4)</sup>
Wilton Resources Corporation Limited	31 Mar 21	S\$4.5 m	Interest-free	98% of the lowest closing VWAP during the pricing period preceding the conversion date <sup>(5)</sup>	(2.0)%	-. <sup>(6)</sup>
KTL Global Limited	3 Jun 21	S\$2.0 m	2.0%	S\$0.062	(10.0)%	n.m. <sup>(4)</sup>
Yongnam Holdings Limited <sup>(7)</sup>	4 Jun 21	S\$9.5 m	7.0%	Simple average of the daily volume weighted average price per share for trades done for a consecutive 10 market days immediately prior to the date on which the bonds are issued, provided always that the conversion price computed on this basis shall in no event more than S\$0.10 or less than S\$0.05.	-	-. <sup>(7)</sup>
Lum Chang Holdings Limited	25 Jun 21	S\$20.0 m	2.0%	S\$0.44	11.4%	0.7x
Jasper Investments Limited	16 Aug 21	S\$1.2 m	8.0%	S\$0.00315	(10.0)%	n.m. <sup>(4)</sup>
Plastoform Holdings Limited	15 Nov 21	S\$1.5 m	Interest-free	S\$0.006	(53.8)%	n.m. <sup>(4)</sup>
<b>Maximum</b>			10.0%		32.0%	11.1x
<b>Minimum</b>			0.0%		(53.8)%	0.5x
<b>Median</b>			2.0%		(1.0)%	1.0x
<b>Average</b>			3.8%		(2.5)%	4.0x
<b>The Company</b>	<b>31 Dec 21</b>	<b>S\$9.0m</b>	<b>Interest-free</b>	<b>S\$0.003333</b>	<b>(52.4)%<sup>(8)</sup></b>	<b>0.3x<sup>(9)</sup></b>

Source: Relevant announcements.

**Notes:**

(1) The premium/(discount) to market price or volume weighted average price prior to announcement are based on the respective companies' announcements.

(2) Price to NAV ratio is computed based on the latest announced results for the respective companies prior to the announcement.

- (3) For Oxley Holdings Limited, the conversion price represents a premium of 13.64% over S\$0.2200, being the prevailing market price of the underlying shares prior to the signing of the subscription agreement.
- (4) Not meaningful as the respective Comparable Companies are in net liability position.
- (5) For Wilton Resources Corporation Limited, the conversion price is computed based on 98% of the lowest closing VWAP during the pricing period preceding the conversion date but subject to a minimum share price.
- (6) For Wilton Resources Corporation Limited, Yongnam Holdings Limited and Chaswood Resources Holdings Ltd, Price to NAV ratio is not computed as the conversion price is not fixed.
- (7) For Yongnam Holdings Limited, the issuance of the redeemable convertible bonds was made to existing bondholders was to fulfill the redemption obligation of the company under an existing bond.
- (8) For the Company, the Conversion Price presents a discount of approximately 52.4% to the VWAP for trades done on 30 December 2021, being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement on 31 December 2021.
- (9) For the Company, the Price to NAV ratio is computed based on the proforma NAV as at 31 December 2021.

Based on the above, we note that:

- (a) The interest rate of 0% per annum (ie. Interest-free) for the Perpetual Convertible Bonds is within the range of the Comparable Transactions but lower than the median and the average interest rate of 2.0% and 3.8% of the Comparable Transactions respectively. In this regard, we further noted that the proceeds from the Proposed Issuance will be used to subscribe for the perpetual convertible bonds and perpetual bonds to be issued by Incredible Holdings Ltd. (collectively, the “**Incredible Bonds**”) as announced by the Company on 1 January 2022 and that the Incredible Bonds also do not yield any interest;
- (b) The Conversion Price represents a discount of approximately 52.4% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement on 31 December 2021). In contrast, the Incredible Conversion Price in relation to the Proposed Subscription represents a discount of approximately 22.73% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of Incredible were traded prior to the signing of the Subscription Agreement on 31 December 2021);
- (c) The discount of the Conversion Price for the Perpetual Convertible Bonds is significantly higher than all the Comparable Transactions with conversion price that are at a discount, except for the proposed convertible loan for Plastoform Holdings Limited, and is also significantly higher than the median and average discounts of 1.0% and 2.5% respectively. We further note that companies which issued convertible loans or bonds with conversion prices at a discount to their last traded market prices are with net liability positions. In the case of Plastoform Holdings Limited, its shares were suspended since 4 April 2019 pursuant to Rule 1303(3)(c) on the basis that it was unable to continue as a going concern or unable to demonstrate to the Exchange and its shareholders that it is able to do so. In comparison, the Group is in a positive net asset position based on its latest reported balance sheet as at 31 December 2021; and
- (d) The Conversion Price is approximately 0.3 times of the Group’s Proforma NAV as at 31 December 2021 as adjusted for the subsequent share issuances up to the Latest Practicable Date, which is below the range of the P/NAV ratios of the Comparable Transactions.

#### 4.6 Financial effects of the Proposed Issuance

The *pro forma* financial effects of the Proposed Issuance on the NTA per Share and the loss per Share (“LPS”) of the Group are set out in Paragraph 5 of the Circular and have been prepared based on the unaudited consolidated financial statements of the Group for FY2021.

The financial effects are for illustrative purposes only and are based on a set of assumptions 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 Issuance.

The financial effects on the NTA per share of the Company are computed assuming, amongst others, that (1) the First Placement Exercise; (2) the proposed acquisition of the proposed acquisition of 85 shares in a private limited company to be incorporated in the British Virgin Islands (the “**Gadmobe**”), representing 85% of the issued share capital of Gadmobe, through Cyber Sail Global Limited, a wholly owned direct subsidiary of the Company (the “**Proposed Gadmobe Acquisition**”); (3) the proposed acquisition of 550 shares in Golden Ultra Limited (“**Golden Ultra**”), representing 55% of the issued share capital of Golden Ultra (the “**Proposed Golden Ultra Acquisition**”); and (4) the Second Placement Exercise; (5) the Proposed Capital Reduction (collectively, the “**Announced Transactions**”) were completed on 31 December 2021. Please refer to Paragraph 5 of the Circular for further details on the assumptions.

In summary, we note the following financial effects of the Proposed Issuance:

- (a) the Group’s NTA per Share as at 31 December 2021 of approximately 0.63 Singapore cents would (i) remain the same after the Proposed Issuance if the Announced Transactions and Proposed Issuance were completed on 31 December 2021, (ii) decrease to 0.44 cents Singapore cents after the 2,700,270,027 Conversion Shares were issued upon the conversion of all of the Perpetual Convertible Bonds as at 31 December 2021 and (iii) further decrease to 0.37 Singapore cents after the 2,700,270,027 Conversion Shares were issued upon the conversion of all of the Perpetual Convertible Bonds, and 10,000,000,000 Exercised Shares were issued upon the exercise of all of the Warrants on 31 December 2020. The decrease in NTA is because the Conversion Price and Exercise Price is below the NTA per share of the Company as at 31 December 2021;
- (b) the Group’s gearing as at 31 December 2021 of approximately 1.33 times would (i) remain the same after the Proposed Issuance if the Announced Transactions and Proposed Issuance were completed on 31 December 2021, (ii) decrease to 0.22 times after the 2,700,270,027 Conversion Shares were issued upon the conversion of all of the Perpetual Convertible Bonds as at 31 December 2021 and (iii) further decrease to negative 0.56 times (i.e. a net cash position) after the 2,700,270,027 Conversion Shares were issued upon the conversion of all of the Perpetual Convertible Bonds, and 10,000,000,000 Exercised Shares were issued upon the exercise of all of the Warrants on 31 December 2021; and
- (c) the Group’s net loss for FY2021 of approximately S\$4.1 million would not change significantly after (i) the Proposed Issuance if the Announced Transactions and Proposed Issuance were completed on 1 January 2021 and no conversion of shares took place and (ii) the Announced Transactions and Proposed Issuance were completed on 1 January 2021 and 2,700,270,027 Conversion Shares were issued upon the conversion of all of the Perpetual Convertible Bonds on 1 January 2021 and (iii) the Announced Transactions and Proposed Issuance were completed on 1 January 2021 and 2,700,270,027 Conversion Shares were issued upon the conversion of all of the Perpetual Convertible Bonds on 1 January 2021 and 10,000,000,000 Exercised Shares were issued upon the exercise of all of the Warrants on 1 January 2021. However, net loss per Share will decrease in the various scenarios above due to the dilution effect arising from the issuance of shares on the conversion of the Perpetual Convertible Bonds and exercise of the Warrants.

#### **4.7 Other Relevant Considerations**

##### **4.7.1 Inter-conditionality of the Proposed Issuance**

On 1 January 2022, the Company announced that it has entered into a subscription agreement with Incredible Holdings Ltd for the proposed subscription of perpetual bonds, perpetual convertible bonds and warrants. The Proposed Issuance is inter-conditional with the Proposed Subscription.

##### **4.7.2 Interested Persons abstaining from voting**

As set out in Paragraph 13.1 of the Circular, Mr Heilesen, Incredible and their respective associates shall abstain from voting on the resolution approving the Proposed Issuance in accordance with Catalist Rule 812. Accordingly, the Proposed Issuance would be subject entirely to the approval of the independent Shareholders.

##### **4.7.3 Representations from Incredible**

As set out in Paragraph 3.6 of the Circular, Incredible has represented that, amongst others, (i) Incredible will not convert the Perpetual Convertible Bonds and exercise the Warrants to acquire Shares which (taken together with Shares held or acquired by persons acting in concert with it) carry 30% or more of the voting rights of the Company; (ii) Incredible will not convert the Perpetual Convertible Bonds and exercise the Warrants to acquire a controlling interest under the Catalist Rules without prior approval of Shareholders in general meeting; and (iii) Incredible will not convert the Perpetual Convertible Bonds and/or exercise the Warrants to the extent that would result in a very substantial acquisition or a reverse takeover by Incredible under the Catalist Rules. Assuming there are no adjustments to the Conversion Price subsequent to the issuance of the Perpetual Convertible Bonds, the Company will issue 2,700,270,027 Conversion Shares upon conversion of all the Perpetual Convertible Bonds, which represents approximately 63.29% of the enlarged total issued share capital of the Company. Assuming there are no adjustments to the number of Warrants, the Company will issue 10,000,000,000 Exercised Shares upon exercise of all of the Warrants, which represents approximately 86.46 % of the enlarged total issued share capital of the Company. However, we note that pursuant to the representations by Incredible, Incredible has undertaken not to convert the Perpetual Convertible Bonds or exercise the Warrants such that there will be a change in control of the Company.

##### **4.7.4 Recent placement exercise of the Company**

In November 2021, the Company completed a placement of (i) 102,050,000 new ordinary shares in the Company to Ms Zheng Ze Li at a subscription price of S\$0.0082 per subscription share, with 102,050,000 free warrants, with each warrant granting the holder thereof the right to subscribe for one new ordinary share in the Company at an exercise price of S\$0.0082 for each exercised share and (ii) 70,350,000 new ordinary shares in the Company to Industrial Electronics Pte Ltd at a subscription price of S\$0.0082 per subscription share, with 70,350,000 free warrants, with each warrant granting the holder thereof the right to subscribe for one new ordinary share in the Company at an exercise price of S\$0.0082 for each exercised share. We note that the Conversion Price and Exercise Price of S\$0.003333 is significantly lower (approximately 59.4% lower) than the subscription price and warrant exercise price of S\$0.0082 for the placement done just a few months ago.

##### **4.7.5 Proceeds from the Proposed Issuance**

The gross proceeds from the Proposed Issuance of Perpetual Convertible Bonds of S\$9 million plus the gross proceeds from the exercise of the Warrants of S\$33.33 million (assuming that there are no adjustments to the number of Warrants and the Exercise Price and assuming that all of the Warrants are exercised) less the costs and expenses incurred or to be incurred in connection with the Proposed Issuance amounts to approximately S\$42.28 million.

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We note that the net proceeds from the Proposed Issuance of Perpetual Convertible Bonds of S\$8.95 million (after deducting expenses of S\$50,000) will be used entirely for the subscription of perpetual convertible bonds and perpetual bonds to be issued by Incredible Holdings Ltd, who is the subscriber of the Perpetual Convertible Bonds. This means, there is no immediate net proceeds flowing to the Company. As for the proceeds from the exercise of the warrants, it will materialize only upon the exercise of the warrants during the Exercise Period within the next five years.

### 4.7.6 Potential dilution of the minority shareholders

As illustrated in Paragraph 8 of the Circular, assuming the issuance of the Conversion Shares and Exercised Shares in full, the shareholding of Incredible will increase from 0% to 89.02% and the shareholdings of the public shareholders will be diluted from 74.26% to 8.21%. In this regard, we note that, *inter alia*, the following:

- (i) Notwithstanding the illustrations of the potential dilution impact set out in Paragraph 8 of the Circular, it is noted that Incredible has represented, *inter alia*, that will not convert the Perpetual Convertible Bonds and exercise the Warrants to acquire Shares which (taken together with Shares held or acquired by persons acting in concert with it) carry 30% or more of the voting rights of the Company;
- (ii) the number of Conversion Shares that will be issued to Incredible upon the conversion of the Perpetual Convertible Bonds represents approximately 63.29% of the enlarged total issued share capital of the Company, assuming all of the Perpetual Convertible Bonds are converted. In contrast, the Incredible Conversion Shares that will be issued upon conversion of the Incredible Perpetual Convertible Bonds represents only approximately 14.92% of the enlarged share capital of Incredible, assuming all of the Incredible Perpetual Convertible Bonds are converted; and
- (iii) in connection with the Proposed Issuance, Incredible will be issued with 10,000,000,000 free Warrants with an exercise price of S\$0.003333. The Exercised Shares that will be issued to Incredible upon the conversion of the Warrants represents approximately 86.46% of the enlarged total issued share capital of the Company, assuming all of the Warrants are exercised. In contrast, the Incredible Exercised Shares that will be issued upon conversion of the Incredible Warrants represents only approximately 25.04% of the enlarged share capital of Incredible, assuming all of the Incredible Warrants are exercised.

### 4.7.7 Theoretical value of the Warrants

The theoretical value of the Warrants is a function of, *inter alia*, the Exercise Price vis-à-vis the prevailing price of the underlying Shares, the life period of the Warrants, the nature of the call option as to whether it is a European call option or an American call option, the risk-free interest rate and the price volatility of the underlying Shares.

Based solely on the exercise price of the Warrants of S\$0.003333 and the VWAP of the Shares done on 30 December 2021 (being the last full market day on which the Shares were traded prior to the signing of the signing of the Subscription Agreement) and the last transacted price of the Shares as at the Latest Practicable Date of S\$0.007 and S\$0.004 respectively, the implied intrinsic value of each Warrant will be S\$0.003667 and S\$0.000667 and the corresponding value of the Warrants to be issued based on the 10,000,000,000 free Warrants will theoretically be worth S\$36.67 million and S\$6.67 million respectively. In contrast, based on the exercise price of the Incredible Warrants of S\$0.0016 and the VWAP of the shares of Incredible done on 30 December 2021 and the last transacted price of the shares of Incredible as at the Latest Practicable Date of S\$0.00314 and S\$0.002 respectively, the implied intrinsic value of each Incredible Warrant will be S\$0.00154 and S\$0.0004 and the corresponding value of the Incredible Warrants to be issued to the Company based on the 1,000,000,000 free Incredible Warrants will theoretically be worth S\$3.14 million and S\$0.4 million respectively. In summary, the Company will be issuing free Warrants to Incredible with implied intrinsic value of S\$6.67 million but will be receiving free Incredible Warrants with implied intrinsic value of only S\$0.4

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## APPENDIX A – ISSUANCE IFA LETTER

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million (based on the last transacted price of the Shares and Incredible's shares respectively as at the Latest Practicable Date).

In addition, given that the Warrants and the Incredible Warrants are exercisable over a 5-year period commencing on the date of issue of the warrants, there is time value to these warrants in addition to the aforesaid intrinsic value. It is further noted that the Warrants and the Incredible Warrants are expected to be listed and quoted on the Catalist Board of the SGX-ST, subject to amongst others, a sufficient spread of holdings of the respective warrants to provide for an orderly market for trading and in such an event, the value of these warrants may be realizable via a sale in the open market.

### 5. 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 Issuance. 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 Issuance:

- (a) the rationale for the Proposed Issuance, details of which are set out in Paragraph 4.1 of this IFA Letter;
- (b) the analysis of the historical financial performance and financial condition of the Group, details of which are set out in Paragraph 4.2 of this IFA Letter. In this regard, we note that the Conversion Price and the Exercise Price represent a discount of approximately 65.5% to the Proforma NAV per Share as at 31 December 2021 and would value the Group at a P/NAV ratio of 0.30 times;
- (c) the analysis of the market quotation and trading activity of the Shares, details of which are set out in Paragraph 4.3 of this IFA Letter. In this regard, we note the following:
  - the Conversion Price and the Exercise Price represent a significant discount of approximately 74.1%, 68.4%, 67.4% and 55.6% to the VWAPs of the Shares for the 1-year, 6-month, 3-month and one-month periods prior to and including 31 December 2021 (being the date of the signing of the Subscription Agreement on 31 December 2021) respectively;
  - The Conversion Price and the Exercise Price represent a discount of approximately 58.3% to the closing price of the Shares of S\$0.008 on 31 December 2021 before the announcement of the signing of the Subscription Agreement.
- (d) in respect of Comparable Companies, we note that the P/NAV ratio of the Company (as implied by the Conversion Price and the Exercise Price) of 0.3 times is lower than the range of P/NAV ratios of the Comparable Companies of between 0.3 times and 8.9 times;
- (e) in respect of the Comparable Transactions, details of which are set out in Paragraph 4.5 of this IFA Letter, we note the following
  - The interest rate of 0% per annum (ie. Interest-free) for the Perpetual Convertible Bonds is within the range of the Comparable Transactions but lower than the median and the average interest rate of 2.0% and 3.8% of the Comparable Transactions respectively;
  - The Conversion Price represents a discount of approximately 52.4% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement on 31 December 2021). In contrast, the Incredible Conversion Price in relation to the Proposed Subscription represents a discount of approximately 22.73% to the VWAP for trades done on 30 December 2021;

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## APPENDIX A – ISSUANCE IFA LETTER

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- The discount of the Conversion Price is significantly higher than all the Comparable Transactions with conversion price that are at a discount, except for the proposed convertible loan for Plastoform Holdings Limited (whose shares have been suspended due to going concern issues), and is also significantly higher than the median and average discounts of 1.0% and 2.5% respectively. We further note that companies which issue convertible loans or bonds with conversion prices at a discount to their last traded market prices are with net liability positions. In comparison, the Group is in a positive net asset position as at 31 December 2021; and
  - The Conversion Price is approximately 0.3 times of the Group's Proforma NAV as at 31 December 2021, which is below the range of the P/NAV ratios of the Comparable Transactions.
- (f) the financial effects of the Proposed Issuance, details of which are set out in Paragraph 4.6 of this IFA Letter; and
- (g) other relevant considerations, details of which are set out in Paragraph 4.7 of this IFA Letter.

**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 Issuance 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 steep discount of the Conversion Price and Exercise Price as compared to the VWAP of the Shares and the significant potential dilution to the public shareholders.**

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 Issuance 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 Issuance.

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

**Sheila Ong**  
Senior Vice President  
Corporate Finance



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APPENDIX B – SUBSCRIPTION IFA LETTER

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**W CAPITAL MARKETS PTE. LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201813207E)  
65 Chulia Street  
#43-01 OCBC Centre  
Singapore 049513

6 April 2022

Special Committee of Ntegrator International Ltd. in relation to the Proposed Subscription (the **“Recommending Directors”**)

Mr. Chay Yiowmin	(Independent Non-Executive Chairman)
Mr. Tao Yeoh Chi	(Independent Non-Executive Director)
Mr. Han Meng Siew	(Executive Director)

Dear Sirs,

**THE PROPOSED SUBSCRIPTION OF PERPETUAL BONDS, PERPETUAL CONVERTIBLE BONDS AND WARRANTS**

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*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 6 April 2022 (“Circular”) issued by Ntegrator International Ltd. (the “Company”) shall have the same meanings herein.*

**1. INTRODUCTION**

On 1 January 2022, the Company announced, *inter alia*, that it has entered into a subscription agreement (the **“Incredible 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 (the **“Incredible Perpetual Bonds”**);
- (b) 0% perpetual convertible bonds of an aggregate principal amount of S\$2,100,000 (the **“Incredible Perpetual Convertible Bonds”**) which shall, at the option of the holder thereof, be convertible into new ordinary shares in Incredible (the **“Incredible Conversion Shares”**) at a conversion price of S\$0.004 per Incredible Conversion Share (the **“Incredible Conversion Price”**); and
- (c) 1,000,000,000 free warrants (the **“Incredible Warrants”**), each Incredible Warrant shall grant the holder thereof the right to subscribe for one new ordinary share in Incredible Holdings Ltd (the **“Incredible Exercised Share”**) at an exercise price of S\$0.0016 (the **“Incredible Exercise Price”**),

(the **“Proposed Subscription”**).

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## APPENDIX B – SUBSCRIPTION IFA LETTER

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Incredible Holdings Ltd., is a public company listed on the Catalist Board of the SGX-ST and has an issued and paid-up share capital of approximately S\$53.7 million. Incredible is an associate of Christian Kwok-Leun Yau Heilesen (“**Mr Heilesen**”), who is a director of the Company, and Incredible is an “interested person” under Chapter 9 of the Catalist Rules. In addition, Mr Heilesen, who is a director and a controlling shareholder of Incredible, has an aggregate interest of at least 10% in the Company. Therefore, specific shareholders’ approval from shareholders of Incredible for the Proposed Subscription, as an “interested person transaction” under Chapter 9 of the Catalist Rules, must be obtained, and Mr Heilesen, and his associates, must abstain from voting on the resolution approving the Proposed Subscription.

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 Subscription as an Interested Person Transaction. This letter (“**IFA Letter**”) sets out, *inter alia*, our evaluation of and opinion on the Proposed Subscription. This IFA Letter forms part of the Circular issued by the Company to its Shareholders in connection with, *inter alia*, the Proposed Subscription.

### 2. TERMS OF REFERENCE

The purpose of this IFA Letter is to provide an independent opinion on whether the terms of the Proposed Subscription is on normal commercial terms and whether the Proposed Subscription 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 Subscription 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 Subscription, nor were we involved in the deliberations leading up to the decision on the part of the Directors to undertake the Proposed Subscription. Accordingly, we do not, by this IFA Letter, warrant the merits of the Proposed Subscription 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 Subscription.

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 16 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 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 Subscription. 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.

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## APPENDIX B – SUBSCRIPTION IFA LETTER

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The information on which we relied was based upon market, economic, industry, monetary and other conditions prevailing as at 4 April 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 Subscription, 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 Subscription should be considered in the context of the entirety of this IFA Letter and the Circular.**

### 3. THE PROPOSED SUBSCRIPTION

#### 3.1 Information on Incredible

Information on Incredible is set out in Paragraph 4.5 of the Circular.

#### 3.2 Principal terms and conditions of the Incredible Perpetual Bonds, the Incredible Perpetual Convertible Bonds and the Incredible Warrants

The principal terms of the Incredible Perpetual Bonds, Incredible Perpetual Convertible Bonds and the Incredible Warrants have been extracted from Paragraphs 4.7, 4.8 and 4.9 of the Circular and reproduced in italics below. All terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Circular unless otherwise stated.

##### Principal Terms and Conditions of the Incredible Perpetual Bonds

Issuer of Incredible Perpetual Bonds	:	Incredible Holdings Ltd.
Size of Incredible Perpetual Bonds	:	The Company will subscribe for S\$6,900,000 aggregate principal amount of Incredible Perpetual Bonds to be issued by Incredible.
Issue Price of Incredible Perpetual Bonds	:	100% of the principal amount of the Incredible Perpetual Bonds, or S\$1.00 for each S\$1.00 in principal amount of the Incredible Perpetual Bonds.
Status of the Incredible Perpetual Bonds	:	The Incredible Perpetual Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of Incredible and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves and <i>pari passu</i> with all other present and future direct, unconditional, unsecured and unsubordinated obligations of Incredible, save for such exceptions as may be provided by mandatory provisions under applicable laws and regulations.

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Conversion Right	:	The Incredible Perpetual Bonds shall have no conversion right and will not be convertible into new ordinary shares in the Incredible.
Coupon	:	The Incredible Perpetual Bonds shall not bear any interest.
Maturity Date	:	The Incredible Perpetual Bonds will be perpetual and will have no fixed maturity date.
Redemption	:	<p>The Incredible Perpetual Bonds may be redeemed at the option of Incredible in whole or in part by giving not less than 21 days' notice to the holders of the Incredible Perpetual Bonds at a redemption price equal to the principal amount of the Incredible Perpetual Bonds to be redeemed at any time after the date falling three years from the date of issue of the Incredible Perpetual Bonds.</p> <p>The Incredible Perpetual Bonds may also be redeemed at the option of Incredible in whole but not in part at any time at a redemption price equal to the principal amount of the Incredible Perpetual Bonds upon the occurrence of (a) certain changes in applicable laws or regulations of Singapore requiring the payment of additional amounts to gross up payments on account of withholding taxes; (b) a change in control of the Company; or (c) a suspension or delisting of the securities of the Company.</p> <p>All interest accrued on the Incredible Perpetual Bonds to be redeemed shall be paid on the elected redemption date.</p> <p>For the avoidance of doubt, the Incredible Perpetual Bonds are not redeemable at the option of the holders of the Incredible Perpetual Bonds.</p>

Principal Terms and Conditions of the Incredible Perpetual Convertible Bonds

Issuer of Incredible Perpetual Convertible Bonds	:	Incredible Holdings Ltd.
Size of Incredible Perpetual Convertible Bonds	:	The Company will subscribe for S\$2,100,000 aggregate principal amount of Incredible Perpetual Convertible Bonds to be issued by Incredible.
Issue Price of Incredible Perpetual Convertible Bonds	:	100% of the principal amount of the Incredible Perpetual Convertible Bonds, or S\$1.00 for each S\$1.00 in principal amount of the Incredible Perpetual Convertible Bonds.
Status of the Incredible Convertible Bonds	:	The Incredible Perpetual Convertible Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of Incredible 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 Incredible, save for such exceptions as may be provided by mandatory provisions under applicable laws and regulations.
Conversion Right	:	The Incredible Perpetual Convertible Bonds shall, at the option of the holder thereof, be convertible into Incredible Conversion Shares at the Incredible Conversion Price. The conversion right may be exercised at any time after the date of issue of the Incredible Perpetual Convertible Bonds and if the Incredible Perpetual Convertible Bonds have been called for redemption by Incredible, then before 5.00 p.m. on a date no later than ten

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	<p>days prior to the date fixed for redemption of such Incredible Perpetual Convertible Bonds.</p> <p>The number of Incredible Conversion Shares to be issued by Incredible upon conversion of the Incredible Perpetual Convertible Bonds will be determined by dividing the principal amount of the Incredible Perpetual Convertible Bonds to be converted by the Incredible Conversion Price in effect at the conversion date.</p> <p>Fractions of an Incredible Conversion Share will not be issued upon conversion of the Incredible Perpetual Convertible Bonds and no cash adjustments will be made in respect of such fractions of Incredible Conversion Shares.</p>
Number of Incredible Conversion Shares	<p>: Assuming there are no adjustments to the Incredible Conversion Price subsequent to the issuance of the Incredible Perpetual Convertible Bonds, Incredible will issue 525,000,000 Incredible Conversion Shares upon conversion of all of the Incredible Perpetual Convertible Bonds.</p> <p>The 525,000,000 Incredible Conversion Shares represents:</p> <p>(a) approximately 17.54% of the existing total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 2,993,532,545 ordinary shares; and</p> <p>(b) approximately 14.92% of the enlarged total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 3,518,532,545 ordinary shares, assuming that 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds.</p>
Conversion Price	<p>: S\$0.004</p> <p>The Incredible Conversion Price of S\$0.004 represents a premium of 27.39% to the weighted average price of S\$0.00314 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of Incredible were traded prior to the signing of the Incredible Subscription Agreement on 31 December 2021.</p>
Incredible Conversion Price (effective price)	<p>: S\$0.00243</p> <p>The effective price of Incredible Conversion Price is calculated by assuming the full conversion of 525,000,000 Incredible Conversion Shares accompanied by the exercise of all 1,000,000,000 Incredible Warrants.</p> <p>The Incredible Conversion Price of S\$0.00243 was arrived at arm's length and on a willing buyer-willing-seller-basis, taking into consideration the Incredible Exercise Price of the Incredible Warrants, the weighted average price of Incredible's shares on the last market day preceding the date of the Subscription Agreement, which represents a discount of 22.73% to the weighted average price of S\$0.00314 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of Incredible were traded prior to the signing of the Incredible Subscription Agreement on 31 December 2021.</p>
Coupon	<p>: Zero coupon</p>

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Maturity Date	:	The Incredible Perpetual Convertible Bonds will be perpetual convertible bonds and will have no fixed maturity date.
Redemption	:	<p>The Incredible Perpetual Convertible Bonds may be redeemed at the option of Incredible in whole or in part by giving not less than 21 days' notice to the holders of the Incredible Perpetual Convertible Bonds at a redemption price equal to the principal amount of the Perpetual Convertible Bonds to be redeemed at any time after the date falling three years from the date of issue of the Incredible Perpetual Convertible Bonds.</p> <p>The Incredible Perpetual Convertible Bonds may also be redeemed at the option of Incredible in whole but not in part at any time at a redemption price equal to the principal amount of the Incredible Perpetual Convertible Bonds upon the following events at the discretion of the Incredible's Board (except Mr Christian Kwok-Leun Yau Heilesen): the occurrence of (a) certain changes in applicable laws or regulations of Singapore requiring the payment of additional amounts to gross up payments on account of withholding taxes; (b) a change in control of the Company; or (c) a suspension or delisting of the securities of the Company.</p> <p>For the avoidance of doubt, the Incredible Perpetual Convertible Bonds are not redeemable at the option of the holders of the Incredible Perpetual Convertible Bonds.</p>

Principal Terms and Conditions of the Incredible Warrants

Issuer of Incredible Warrants	:	Incredible Holdings Ltd.
Number of Incredible Warrants	:	The Company will subscribe for 1,000,000,000 Incredible Warrants to be issued by Incredible.
Number of Exercised Shares	:	<p>Assuming there are no adjustments to the number of Incredible Warrants, Incredible will issue 1,000,000,000 Incredible Exercised Shares upon exercise of all of the Incredible Warrants.</p> <p>The 1,000,000,000 Incredible Exercised Shares represents:</p> <ul style="list-style-type: none"> <li>(a) approximately 33.41% of the existing total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 2,993,532,545 ordinary shares; and</li> <li>(b) approximately 25.04% of the enlarged total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 3,993,532,545 ordinary shares, assuming that 1,000,000,000 Incredible Exercised Shares were issued by Incredible upon exercise of all of the Incredible Warrants.</li> </ul> <p>The 525,000,000 Incredible Conversion Shares and the 1,000,000,000 Incredible Exercised Shares represent:</p> <ul style="list-style-type: none"> <li>(a) approximately 50.94% of the existing total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 2,993,532,545 ordinary shares; and</li> <li>(b) approximately 33.75% of the enlarged total issued share capital of Incredible (excluding treasury shares and subsidiary holdings) comprising 4,518,532,545 ordinary</li> </ul>

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		shares, assuming that 525,00,000 Incredible Conversion Shares were issued by the Company upon conversion of all of the Incredible Perpetual Convertible Bonds and that 1,000,000,000 Incredible Exercised Shares were issued by the Company upon exercise of all of the Incredible Warrants.
Incredible Exercise Price	:	S\$0.0016  The Incredible Exercise Price of S\$0.0016 was arrived at arm's length and on a willing buyer-willing-seller-basis, taking into consideration the VWAP of the last market day prior to the Incredible Subscription Agreement, represents a discount of 49.04% to the weighted average price of S\$0.00314 for trades done on the SGX-ST for the full market day on 30 December 2021, being the last full market day on which the shares of Incredible were traded prior to the signing of the Incredible Subscription Agreement on 31 December 2021.
Incredible Exercise Period	:	The Incredible Warrants may be exercised during the period commencing on the date of issue of the Incredible Warrants and expiring at 5.00 p.m. on the date falling five years after the date of issue of the Incredible Warrants (the " <b>Incredible Exercise Period</b> "). At the expiry of the Incredible Exercise Period, any Incredible Warrants which have not been exercised shall lapse and cease to be valid for any purpose.

Further details of the principal terms of the Incredible Perpetual Bonds, Incredible Perpetual Convertible Bonds and Incredible Warrants are set out in Paragraphs 4.8, 4.9 and 4.10 of the Circular.

**4. EVALUATION OF THE PROPOSED SUBSCRIPTION AS AN INTERESTED PERSON TRANSACTION**

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

- 4.1 Rationale for the Proposed Subscription;
- 4.2 Historical financial performance and financial condition of Incredible;
- 4.3 Market quotation and trading activity of the shares of Incredible;
- 4.4 Relative valuation analysis;
- 4.5 Precedent Transactions Involving the Issue of Convertible Loans/Securities by Companies Listed on the SGX-ST;
- 4.6 Precedent Transactions Involving the Issue of Non-convertible Perpetual Bonds by Companies Listed on the SGX-ST;
- 4.7 Financial effects of the Proposed Subscription; and
- 4.8 Other relevant considerations.

**4.1 Rationale for the Proposed Subscription**

We have considered the rationale for the Proposed Subscription and Proposed Issuance by the Company as set out in Paragraph 2 of the Circular and we have set them out in italics below for your ease of reference:

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*“The rationale for the Proposed Issuance and the Proposed Subscription is that the Company does not have to utilise its cash to subscribe for Incredible’s shares as a long-term investment which is different from the previous two placement exercises completed in June 2021 and November 2021. The Company does not intend to amend the utilization of net proceeds raised from the Second Placement Exercise which is for working capital purpose. Further, the unutilised fund is not sufficient to complete the Proposed Subscription.*

*As announced on 12 October 2021, the Company entered into a proposed acquisition of 55% of Golden Ultra Limited and proposed acquisition of 85% of Gadmobe Group. On 18 October 2021 and 27 October 2021, Incredible announced the proposed acquisition of 42% of Golden Ultra Limited and proposed acquisition of 15% of Gadmobe Group respectively. The Board is of the view that the Proposed Issuance and Proposed Subscription, the Proposed Gadmobe Acquisition and the Proposed Golden Ultra Acquisition could foster closer cooperation between the Company and the Incredible without using its cash resources and enjoying growth in each other’s existing businesses.*

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

*As disclosed in Section 3.10 of this Circular, the Company completed the First Placement Exercise on 30 June 2021 and the Second Placement Exercise on 12 November 2021. Shareholders of the Company are advised to read the full text of the announcements made by the Company on 25 May 2021, 28 May 2021, 23 June 2021, 29 June 2021 and 30 June 2021, which are available on SGXNET, for further details on the First Placement Exercise and the full text of the announcements made by the Company on 20 October 2021, 25 October 2021, 8 November 2021, 12 November 2021 and 29 November 2021, 23 December 2021 and 28 January 2022 which are available on SGXNET, for further details on the Second Placement Exercise.*

*In addition, as announced on 12 January 2022, the Board (only Directors who are not also on the board of directors on Incredible) is of the view that the Proposed Issuance and the Proposed Subscription are in the best interests of the Company as the Company intends: (a) to participate in the business growth and upside of the new and existing business of Incredible; (b) to subscribe for Incredible’s shares and with the Proposed Issuance, there will be zero net fund flow impact to the Company as the Company will not be required to utilise its cash to subscribe for Incredible’s shares as a long term investment, assuming that the Company does not exercise the warrants issued by Incredible; and (c) bring value to all Shareholders of the Company by way of the Group’s participation in the business growth and upside of the new and existing business of Incredible and as the Proposed Subscription will broaden and diversify the Group’s revenue streams and customer base.”*

### 4.2 Historical financial performance and financial condition of Incredible Group

A summary of the financial statements of Incredible and its subsidiaries (the “**Incredible Group**”) for the last 3 financial years ended 31 December 2020 (“**FY2020**”), 31 December 2019 (“**FY2019**”) and 31 December 2018 (“**FY2018**”) as well as the unaudited financial statements of Incredible Group for the financial year ended 31 December 2021 (“**FY2021**”) is set out below. The following summary financial information should be read in conjunction with the full text of the Incredible’s annual report for FY2019 and FY2020 and the latest results announcement in respect of FY2021 including the notes/commentaries thereto.

#### Financial performance of Incredible Group

S\$'000	FY2018 Audited (restated)	FY2019 Audited	FY2020 Audited	FY2021 Unaudited
<b>Continuing Operations</b>				
Revenue	10,989	8,780	3,258	23,338
Gross profit	588	541	380	676
Loss before income tax	(1,530)	(2,350)	(3,328)	(3,385)



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<b>Loss for the year/period from continuing operations</b>	(1,530)	(2,350)	(3,328)	(3,385)
<b>Discontinued Operations</b>				
Loss for the year/period from discontinued operations	(404)	(29)	(796)	-
<b>Total loss for the year/period</b>	(1,934)	(2,379)	(4,124)	(3,385)
<b>Other comprehensive income / (loss) for the year/period, net of tax</b>	(99)	111	1,028	(234)
<b>Total comprehensive loss for the year/period attributable to owners of Incredible</b>	(2,033)	(2,268)	(3,096)	(3,619)

*Source: Incredible's annual report for FY2019 and FY2020 and the announcement for the financial year ended 31 December 2021.*

### Review of operating results

The Incredible Group has been loss-making for the last three financial years and for the latest reported half year ended 30 June 2021.

### FY2018 vs FY2019

The Incredible Group recorded a revenue of approximately S\$8.8 million in FY2019, representing an decrease of S\$2.2 million or 20% from approximately S\$11.0 million in FY2018. This was mainly due to decrease in revenue from distribution of consumable material for electronic industry by 27.5% from S\$2.8 million in FY2018 to S\$2.0 million in FY2019, due to the trade tension between United States and China which resulted in the overall slowdown in electronics manufacturing industries. Revenue from trading of luxury goods also decreased by 17.6% from S\$8.2 million in FY2018 to S\$6.8 million in FY2019 mainly due to the political events in Hong Kong. Revenue from switchgear design and assembly decreased from S\$65,000 in FY2018 to S\$5,000 in FY2019 due to less demand in FY2019.

The gross profit margin of the Incredible Group increased slightly from 5.4% in FY2018 to 6.2% in FY2019.

Other operating income decreased from S\$0.46 million in FY2018 to approximately S\$6,000 in FY2019. This was mainly due to exchange gain from foreign currency translation of S\$0.4 million and gain on disposal of investment of S\$49,000 recognized in FY2018.

Selling and distribution expenses decreased by approximately S\$0.02 million or 8.5% from S\$0.25 million in FY2018 to S\$0.23 million in FY2019 due to less spending on transportation expenses in FY2019.

Other operating expenses increased by approximately S\$0.12 million from S\$7,000 in FY2018 to S\$124,000 in FY2019 due to exchange loss resulting from foreign currency translation.

The finance expense in FY2019 relate solely to interest expenses from hire purchase.

Share of loss of associate was S\$0.12 million in FY2019 due to the disposal of 51% of PT Louis Gianni in FY2018.

Loss from discontinued operations decreased by approximately S\$0.40 million from S\$0.40 million in FY2018 to S\$29,000 in FY2019. The discontinued operations refer to subsidiaries, Luxury Watch Trading Limited, PT. Louis Gianni, Sansim Cosmetics (H.K.) Limited and Vashion Assets Management Limited, which were engaged in trading or wholesale of garments and cosmetics products or provision of consultancy services.

### FY2019 vs FY2020

The Incredible Group recorded a revenue of approximately S\$3.3 million in FY2020, representing a decrease of S\$5.5 million or 62.5% from approximately S\$8.8 million in FY2019. This was mainly due to decrease in revenue from distribution of consumable material for

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electronic industry by approximately 19.5% from S\$2.0 million in FY2019 to S\$1.6 million in FY2020 mainly due to COVID-19 impact which resulted in overall slowdown in electronics manufacturing industries. Revenue from trading of luxury goods also decreased by approximately 75.8% from S\$6.8 million in FY2019 to S\$1.6 million in FY2020 mainly due to the COVID-19 impact and political events in Hong Kong.

The gross profit margin of Incredible Group increased from approximately 6.2% in FY2019 to approximately 11.7% in FY2020 due to the adjustment of selling price for trading of luxury goods business. The gross profit of Incredible Group decreased from approximately S\$0.5 million in FY2019 to approximately S\$0.4 million in FY2020.

Other operating income increased from S\$6,000 in FY2019 to approximately S\$0.2 million in FY2020 mainly due to (i) the Circuit Breaker Job Support Scheme by the governments of Singapore and Hong Kong and (ii) gains on disposal of subsidiaries and associate. Selling and distribution expenses from continuing operations decreased by approximately S\$0.2 million or 88.9% mainly due to decrease of payroll in selling and distribution expenses. Administrative expenses from continuing operations increased by approximately S\$0.5 million due mainly to payroll and professional fees spent for consultancy fees in relation to the expansion of trading of luxury goods business. The other operating expenses increased by approximately S\$0.8 million due mainly to (i) impairment on amount due from associate, Strong System Limited (ii) provision for inventory obsolescence due to slow moving stocks and (iii) increase in realised and unrealised exchange loss. Share of loss of associate decreased by approximately S\$0.1 million as the shareholding interest of 49% of share capital of PT. Louis Gianni was disposed in FY2020.

Loss from discontinued operations decreased by approximately S\$15,000 from S\$29,000 in FY2019. Subsidiaries being Luxury Watch Trading Limited and PT. Louis Gianni were disposed during FY2020.

### FY2020 vs FY2021

The Incredible Group recorded a revenue of approximately S\$23.3 million in FY2021, representing a significant increase of approximately S\$20.1 million or 616.3% from approximately S\$3.3 million in FY2020. This was mainly due to the trading of watches business in Hong Kong.

The gross profit margin of the Incredible Group decreased from approximately 11.7% in FY2020 to approximately 2.9% in FY2021, mainly due to more sales from trading of watches which has a lower gross profit margin.

Other operating income increased by approximately S\$392,000 in FY2021 mainly due to unrealized exchange gain arising from intercompany balances and absence of allowance of impairment (compared to S\$0.5 million impairment allowance made in FY2020). Selling and distribution expenses decreased significantly from S\$228,000 in FY2020 to S\$26,000 in FY2021 as Incredible Group had less selling expenses for its distribution business due to diminishing demand. The administrative expenses increased by approximately S\$1.9 million to S\$4.7 million in FY2021 due mainly to (i) increase of director remuneration of S\$1 million which is a bonus payment to an executive director; (ii) increase in rent of approximately S\$0.2 million from new subsidiaries in Singapore, Korea and Denmark; and (iii) increase of professional fee of approximately S\$0.2 million. There was no share of loss of associate in FY2021 as Incredible Group completed the disposal of PT Louis Gianni on 29 May 2020. There was also no loss for the period from discontinued operations after the disposal of Luxury Watch Trading Limited on 30 October 2020.

### Financial position of the Incredible Group

A summary of the unaudited financial position of the Incredible Group as at 31 December 2021 is set out as follows:

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<b>S\$'000</b>	<b>31 December 2021 Unaudited</b>
<b>Current assets</b>	
Inventories	5,847
Trade receivables	5,554
Other receivables and prepayments	670
Due from associate	-
Cash and bank balances	815
	<b>12,886</b>
<b>Non-current assets</b>	
Property, plant and equipment	1,547
Intangible asset	1,304
Goodwill	1,062
	<b>3,913</b>
<b>Total assets</b>	<b>16,799</b>
<b>Current liabilities</b>	
Trade payables	139
Other payables and accruals	3,483
Contract liabilities	54
Lease liabilities	674
	<b>4,350</b>
<b>Non-current liabilities</b>	
Lease liabilities	419
<b>Total liabilities</b>	<b>4,769</b>
<b>Net assets</b>	<b>12,030</b>
<b>Equity attributable to owners of Incredible</b>	
Share capital	53,665
Translation reserve	(752)
Accumulated losses	(40,883)
<b>Total equity</b>	<b>12,030</b>
<b>Number of shares</b>	2,993,532,545
<b>NAV attributable to Shareholders per Share (cents)</b>	0.40
<b>Discount of Incredible Conversion Price to NAV per Share</b>	<b>(0.5)%</b>
<b>Discount of Incredible Exercise Price of Incredible Warrants to NAV per Share</b>	<b>(60.2)%</b>
<b>Discount of Incredible Effective Conversion Price<sup>(1)</sup> to NAV per Share</b>	<b>(39.5)%</b>
<b>P/NAV ratio as implied by the Effective Conversion Price</b>	<b>0.6 times</b>

*Source: Financial results announcement for financial year ended 31 December 2021 from Incredible.*

**Note:**

- (1) The Incredible Effective Conversion Price is the effective price of the Incredible Conversion Shares calculated by assuming the full conversion of 525,000,000 Incredible Conversion Shares accompanied by the exercise of all 1,000,000,000 Incredible Warrants.

Major assets and liabilities

As at 31 December 2021, the assets of the Incredible Group totalling approximately S\$16.8 million comprised mainly: (i) trade receivables of approximately S\$5.6 million; (ii) inventories of approximately S\$5.8 million (iii) property, plant and equipment of approximately S\$1.5 million; and (iv) intangible asset relating to website development of approximately S\$1.3 million, representing 33.1%, 34.8%, 9.2% and 7.8% of Incredible Group's total assets respectively.

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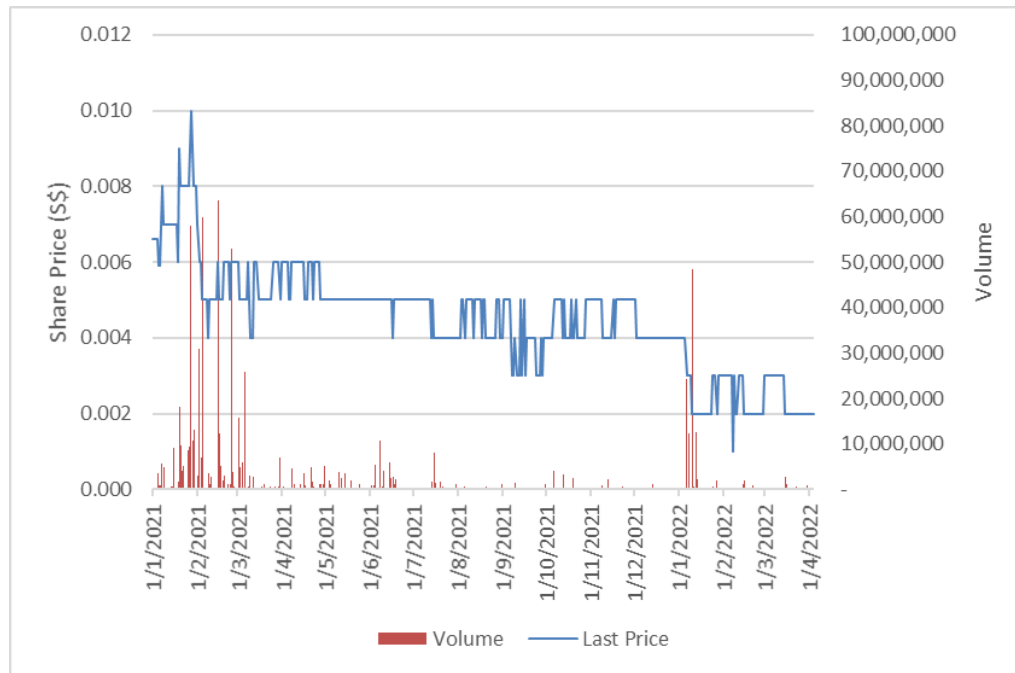
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As at 31 December 2021, the liabilities of the Incredible Group totalling approximately S\$4.8 million comprised mainly: (i) other payables and accruals of approximately S\$3.5 million; and (ii) lease liabilities of approximately S\$1.1 million representing 73.0% and 22.9% of the Incredible Group's total liabilities respectively.

In respect of the above, we note that the Incredible's NAV amounted to approximately S\$12.0 million or S\$0.004 per Share (based on 2,993,532,545 issued Shares) as at 31 December 2021. Accordingly, the Incredible Conversion Price, Incredible Exercise Price and the Incredible Effective Conversion Price represent a discount of approximately 0.5%, 60.2% and 39.5% to the NAV per Share as at 31 December 2021 and the P/NAV ratio as at 31 December 2021 as implied by the Incredible Effective Conversion Price is 0.6 times.

### 4.3 Market quotation and trading activity of the shares of Incredible

We set out below a chart showing the closing prices of the shares of Incredible and the number of shares traded on a daily basis during the period commencing from 1 January 2021 (being 12 months prior to the date of signing of the Incredible Subscription Agreement on 31 December 2021) and ending on the Latest Practicable Date.



In addition to the share price / trading volume chart, we have tabulated below selected statistics on the share price and trading liquidity of the shares from 1 January 2021 to the Latest Practicable Date.

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	<b>VWAP (S\$)<sup>(1)</sup></b>	<b>Premium/ (Discount) of Incredible Conversion Price to VWAP (%)<sup>(2)</sup></b>	<b>Premium/ (Discount) of Incredible Exercise Price to VWAP (%)<sup>(2)</sup></b>	<b>Premium/ (Discount) of Incredible Effective Conversion Price to VWAP (%)<sup>(2)</sup></b>	<b>Highest closing price (S\$)<sup>(1)</sup></b>	<b>Lowest closing price (S\$)<sup>(1)</sup></b>	<b>Average daily trading volume (‘000)<sup>(2) (3)</sup></b>	<b>Average daily trading volume as a percentage of free float (%)<sup>(1) (4)</sup></b>
<b>For the period prior to the date of signing of the Subscription Agreement on 31 December 2021</b>								
12-month	0.0061	(34.6)	(73.8)	(60.3)	0.0100	0.0030	2,223.7	0.186
6-month	0.0040	0.2	(59.9)	(39.1)	0.0050	0.0030	304.5	0.025
3-month	0.0040	(0.1)	(60.0)	(39.3)	0.0050	0.0040	264.4	0.022
1-month	0.0039	2.8	(58.9)	(37.6)	0.0040	0.0040	59.0	0.005
30 December 2021 (being the full market day prior to the signing of the Subscription Agreement on 31 December 2021)	0.0031	29.0	(48.4)	(21.6)	0.0040	0.0040	0.7	-
<b>For the period commencing from the date of signing of the Incredible Subscription Agreement up to the Latest Practicable Date</b>								
Till the Latest Practicable Date	0.0023	73.9	(30.4)	5.7	0.0040	0.0010	1,762.7	0.147
Latest Practicable Date	-	-	-	-	-	-	-	-

Source: Bloomberg L.P.

**Notes:**

- (1) Rounded to the nearest four (4) decimal places.
- (2) Rounded to the nearest one (1) decimal place.
- (3) The average daily trading volume of the shares is calculated based on the total volume of shares traded during the period divided by the number of market days during that period.
- (4) Free float refers to approximately 1,198.0 million shares or 40.0% of the issued share capital of Incredible held by the public (as defined in the Listing Manual) based on the annual report of Incredible for financial year ended 31 December 2020.

Based on the above, we note the following:

- (a) The daily closing prices of Incredible’s shares over the one-year period prior to and including 31 December 2021 (being the date of the signing of the Incredible Subscription Agreement) were between a low of S\$0.0030 per share and a high of S\$0.0100 per share. The Incredible Conversion Price represents a (discount)/premium of approximately (34.6)%, 0.2%, (0.1%) and 2.8% to the VWAPs of the shares for the 1-year, 6-month, 3-month and 1-month periods prior to and including 31 December 2021 (being the date of the signing of the Incredible Subscription Agreement) respectively. The Incredible Exercise Price represents a (discount) of approximately (73.8)%, (59.9)%, (60.0)% and (58.9)% to the VWAPs of the shares for the 1-year, 6-month, 3-month and 1-month periods prior to and including 31 December 2021 (being the date of the signing of the Incredible Subscription Agreement) respectively;
- (b) The Incredible Effective Conversion Price (which is calculated by assuming the full conversion of 525,000,000 Incredible Conversion Shares accompanied by the exercise of all 1,000,000,000 warrants) represents a (discount) of approximately (60.3)%, (39.1)%, (39.3)% and (37.6)% to the VWAPs of the shares for the 1-year, 6-month, 3-month and 1-month periods prior to and including 31 December 2021 (being the date of the signing of the Incredible Subscription Agreement) respectively;
- (c) The Incredible Conversion Price represents a premium of approximately 29.0% to the VWAP of the shares on 30 December 2021 (being the full market day prior to the signing of the Subscription Agreement on 31 December 2021). The Incredible Exercise Price represents a discount of approximately (48.4)% to the VWAP of Incredible’s shares on 30

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December 2021 (being the full market day prior to the signing of the Incredible Subscription Agreement on 31 December 2021). The Effective Conversion Price represents a (discount) of approximately (21.6)% to the VWAP of Incredible's shares on 30 December 2021 (being the full market day prior to the signing of the Incredible Subscription Agreement on 31 December 2021);

- (d) The daily closing prices of Incredible's shares after the date of signing of the Incredible Subscription Agreement to the Latest Practicable Date were between a low of \$0.0010 per Share and a high of S\$0.0040 per Share. The Incredible Conversion Price, Incredible Exercise Price and Incredible Effective Conversion Price represent a premium / (discount) of approximately 73.9%, (30.4)% and 5.7% respectively to the VWAP of Incredible's shares for the period after the date of signing of the Incredible Subscription Agreement to the Latest Practicable Date; and
- (e) There were no trades done on the Latest Practicable Date.

We note the following with regard to the trading liquidity of the Shares:

- (a) Incredible's shares are extremely thinly traded. Trading liquidity of Incredible's shares during the 1-year period prior to and including 31 December 2021 (being the date of the signing of the Incredible Subscription Agreement) has been low with an average daily trading volume of between approximately 2.2 million shares and 59,000 shares representing between 0.2% and 0.005% of the free float of Incredible; and
- (b) After the date of signing of the Incredible Subscription Agreement to the Latest Practicable Date, trading liquidity of the shares remained low, with average daily trading volume of approximately 1.8 million shares, representing approximately 0.147% of Incredible's free float.

We wish to highlight that the market valuation of shares of a company traded on a securities exchange may be affected by, *inter alia*, the prevailing economic conditions, economic outlook, stock market conditions and sentiment, the corporate activities of the company, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given point in time. Shareholders are advised that the past trading performance of Incredible's shares should not, in any way, be relied upon as an indication or promise of its future trading performance. Shareholders are advised that the past trading performance of Incredible's shares should not, in any way, be relied upon as an indication or promise of its future trading performance.

#### 4.4 Relative Valuation Analysis

In assessing the Incredible Effective Conversion Price and the Proposed Subscription, we have also considered the valuation ratios of selected companies listed on the SGX and Hong Kong Stock Exchange with business operations that are broadly comparable with those of Incredible Group (collectively, the "**Comparable Companies**").

Based on the latest unaudited results for FY2021, Incredible Group operates predominantly in the following business segments:

	Segment	Percentage of Incredible Group's total revenue for FY2021	Percentage of the reportable segment assets as at 31 December 2021
1.	Trading of watches	95.3%	75.1% <sup>(1)</sup>
2.	Distribution of specialty chemical products, consumable material, films and spare parts for electronic industry and others	2.3%	9.2% <sup>(1)</sup>

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**Note:**

(1) The percentages do not add up to 100% due to amounts attributable to the investment holding companies and elimination of assets at the group level.

On 28 May 2020, Incredible Group ventured into the operation of loan financing business via the incorporation of new wholly-owned subsidiary in Hong Kong. However, revenue contribution from this segment for FY2020 and FY2021 is insignificant. As the dominant segment of Incredible Group is in the trading of watches, for the purpose of our analysis, we will made reference to similar companies in this industry.

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 Incredible Group 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 Incredible Group. Shareholders should also note that any comparison made with respect to the Comparable Companies merely serves as an illustrative guide and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of Incredible as at the Latest Practicable Date.

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)
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.	1,583.6
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.	6662.3
Oriental Watch Holdings Limited	Hong Kong	Oriental Watch Holdings Limited, through its subsidiaries, trades watches and invests in properties.	355.4
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.	172.4
Emperor Watch & Jewellery Ltd	Hong Kong	Emperor Watch & Jewellery Ltd retails luxurious branded watches, and offers design and sales of jewellery products.	214.9
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.	57.6
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	26.4

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<b>Company</b>	<b>Stock exchange</b>	<b>Business description (as extracted from Bloomberg)</b>	<b>Market Capitalisation as at the LPD (\$ million)</b>
		brands of watches to customers. The company also invests in properties.	
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.	28.9
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.	12.5

Source: Bloomberg L.P.

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

<b>Comparable Companies</b>	<b>Enterprise valuation<sup>(1)</sup> (\$ million)</b>	<b>EV/TTM EBITDA<sup>(1)</sup></b>	<b>TTM P/E<sup>(1)</sup></b>	<b>P/NAV<sup>(1)</sup></b>
The Hour Glass Limited	1,548.6	8.2x	13.7x	2.3x
Cortina Holdings Limited	679.8	6.4x	13.1x	2.5x
Oriental Watch Holdings Limited	234.2	2.1x	6.0x	1.0x
Time Watch Investments Limited	45.2	0.2x	6.9x	0.4x
Emperor Watch & Jewellery Ltd	190.7	1.6x	6.1x	0.3x
Sincere Watch Hong Kong Ltd	84.3	n.a. <sup>(2)</sup>	n.a. <sup>(3)</sup>	0.5x
Luxxu Group Limited	24.3	n.a. <sup>(2)</sup>	n.a. <sup>(3)</sup>	0.9x
Asia Commercial Holdings Ltd	47.9	2.3x	2.8x	0.4x
Prosper One International Holdings Company Limited	13.3	16.8x	n.a. <sup>(3)</sup>	2.5x
<b>High</b>		<b>16.8x</b>	<b>13.7x</b>	<b>2.5x</b>
<b>Low</b>		<b>0.2x</b>	<b>2.8x</b>	<b>0.3x</b>
<b>Mean</b>		<b>5.4x</b>	<b>8.1x</b>	<b>1.2x</b>
<b>Median</b>		<b>2.3x</b>	<b>6.5x</b>	<b>0.9x</b>
<b>Incredible Group (as implied by the Incredible Effective Conversion Price)</b>		<b>n.a.<sup>(5)</sup></b>	<b>n.a.<sup>(4)</sup></b>	<b>0.6x<sup>(5)</sup></b>

Source: Bloomberg L.P. and W Capital computations

**Notes:**

- (1) Market capitalisation, Enterprise valuation, EV/TTM EBITDA, TTM P/E and P/NAV 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) Not applicable as Incredible recorded negative EBITDA and net profit.
- (5) The P/NAV multiple of Incredible is computed based on its FY2021 financial results and based on the Effective Conversion Price.



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Based on the above, we note that the P/NAV ratio of Incredible as implied by the Incredible Effective Conversion Price of 0.6 times is within the range of the P/NAV ratios of such Comparable Companies of between 0.3 times and 2.5 times, and below the mean and median P/NAV ratio of 1.2 times and 0.9 times respectively.

### 4.5 Precedent Transactions Involving the Issue of Convertible Loans/Securities by Companies Listed on the SGX-ST

In assessing the Incredible Conversion Price and Incredible Effective Conversion Price, we have made reference to the salient statistics of selected transactions involving the issue of convertible loans or bonds by companies (excluding real estate investment trusts and business trusts) listed on the SGX-ST as announced between 1 January 2021 and 31 December 2021 (collectively, the “Comparable Transactions”).

In making the comparison herein, we wish to highlight that the figures used in our assessment have been extracted where available and/or applicable from the relevant announcements, circulars, and other publicly available sources. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

Shareholders should note that certain circumstances and terms relating to the Comparable Transactions are unique and might not be identical to the Incredible Perpetual Convertible Bonds, and are dependent on various factors such as the financial performance and profile of the companies, the volatility and trading liquidity of the shares of the companies, and the market sentiments prevailing at the time of such Comparable Transactions.

The selected companies which are included in the Comparable Transactions might be different from Incredible in terms of business activities, scale of operations, types of products and/or services, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. As such, any comparison made with respect to the Comparable Transactions is necessarily limited and intended to serve for illustrative purpose only.

For the purpose of our assessment and for illustration, we have summarized the key terms of these Comparable Transactions including, *inter alia*, the principal size, the interest rate, the conversion price, premium/(discount) to market price prior to the announcement, and conversion price to NAV ratio.

<b>Company</b>	<b>Date of announcement</b>	<b>Principal amount</b>	<b>Coupon/ interest per annum</b>	<b>Conversion price</b>	<b>Premium/(Discount) of conversion price over/to market price prior to announcement<sup>(1)</sup></b>	<b>Conversion price / NAV<sup>(2)</sup></b>
Oxley Holdings Limited	7 Jan 21	US\$80 m	4.5%	S\$0.25	13.6% <sup>(3)</sup>	1.0x
Medi Lifestyle Limited	29 Jan 21	S\$2.25 m	10.0%	S\$0.04	3.1%	6.8x
Singapore Exchange Limited	2 Feb 21	EUR240 m	Interest-free	S\$13.0944	32.0%	11.1x
HealthBank Holdings Limited	23 Mar 21	S\$3.3 m	Interest-free	S\$0.088	0.0%	0.5x
OIO Holdings Limited	29 Mar 21	US\$2.4 m	8.0%	S\$0.178	(9.6)%	n.m. <sup>(4)</sup>
Wilton Resources Corporation Limited	31 Mar 21	S\$4.5 m	Interest-free	98% of the lowest closing VWAP during the pricing period preceding the conversion date <sup>(5)</sup>	(2.0)%	- <sup>(6)</sup>
KTL Global Limited	3 Jun 21	S\$2.0 m	2.0%	S\$0.062	(10.0)%	n.m. <sup>(4)</sup>
Yongnam Holdings Limited <sup>(7)</sup>	4 Jun 21	S\$9.5 m	7.0%	Simple average of the daily volume weighted average price per share for trades done for a consecutive 10 market days immediately prior to the date on which the bonds are issued, provided always that the conversion price computed on this basis shall in no event more than S\$0.10 or less than S\$0.05.	-	- <sup>(6)</sup>
Lum Chang Holdings Limited	25 Jun 21	S\$20.0 m	2.0%	S\$0.44	11.4%	0.7x
Jasper Investments Limited	16 Aug 21	S\$1.2 m	8.0%	S\$0.00315	(10.0)%	n.m. <sup>(4)</sup>
Plastoform Holdings Limited	20 Oct 21	S\$1.5 m	Interest-free	S\$0.006	(53.8)%	n.m. <sup>(4)</sup>
<b>Maximum</b>			10.0%		32.0%	11.1x
<b>Minimum</b>			0.0%		(53.8)%	0.5x
<b>Median</b>			2.0%		(1.0)%	1.0x
<b>Average</b>			3.8%		(2.5)%	4.0x
<b>Incredible</b>	<b>31 Dec 21</b>	<b>S\$2.1m</b>	<b>Interest-free</b>	<b>S\$0.004 S\$0.00243<sup>(9)</sup></b>	<b>29.0%<sup>(8)</sup> (21.6)<sup>(8)</sup></b>	<b>1.0x<sup>(9)</sup> 0.6x<sup>(10)</sup></b>

Source: Relevant announcements.

**Notes:**

- (1) The premium/(discount) to market price or volume weighted average price prior to announcement are based on the respective companies' announcements.
- (2) Price to NAV ratio is computed based on the latest announced results for the respective companies prior to the announcement.
- (3) For Oxley Holdings Limited, the conversion price represents a premium of 13.6% over S\$0.220, being the prevailing market price of the underlying shares prior to the signing of the subscription agreement.

- (4) *Not meaningful as the respective Comparable Companies are in net liability position.*
- (5) *For Wilton Resources Corporation Limited, the conversion price is computed based on 98% of the lowest closing VWAP during the pricing period preceding the conversion date but subject to a minimum share price.*
- (6) *For Wilton Resources Corporation Limited and Yongnam Holdings Limited, Price to NAV ratio is not computed as the conversion price is not fixed.*
- (7) *For Yongnam Holdings Limited, the issuance of the redeemable convertible bonds was made to existing bondholders to fulfill the redemption obligation of the company under an existing bond issuance.*
- (8) *For Incredible, the Conversion Price and Effective Conversion Price represent a premium of approximately 29.0% and a discount of approximately 21.6% to the VWAP for trades done on 30 December 2021 of Incredible, being the last full market day on which the shares of Incredible were traded prior to the signing of the Subscription Agreement on 31 December 2021.*
- (9) *For Incredible, this represents the Conversion Price to NAV ratio computed based on the NAV of Incredible as at 31 December 2021.*
- (10) *For Incredible, this represents the Effective Conversion Price to NAV ratio computed based on the NAV of Incredible as at 31 December 2021.*

Based on the above, we note that:

- (a) The interest rate of 0% per annum (ie. Interest-free) for the Incredible Perpetual Bonds and Incredible Perpetual Convertible Bonds is within the range of the Comparable Transactions and lower than the median and the average interest rate of 2.0% and 3.8% of the Comparable Transactions respectively. In this regard, we further note that the source of funds for the Proposed Subscription is funded from the fund raising exercises including the proposed issuance of the perpetual convertible bonds and warrants of the Company to Incredible Holdings Ltd (“**Proposed Issuance**”), (collectively, the “**Ntegrator Bonds**”) as announced by the Company on 1 Jan 2022, and these Ntegrator Bonds also do not yield any interest;
- (b) The Incredible Conversion Price represents a premium of approximately 29.0% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of Incredible were traded prior to the signing of the Incredible Subscription Agreement on 31 December 2021). The Incredible Effective Conversion Price represent a discount of approximately 21.6% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of Incredible were traded prior to the signing of the Subscription Agreement on 31 December 2021). In contrast, the conversion price for the Ntegrator Bonds represents a discount of approximately 52.4% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of Incredible were traded prior to the signing of the Subscription Agreement on 31 December 2021);
- (c) The discount of the Incredible Effective Conversion Price for the Incredible Perpetual Convertible Bonds 21.6% is higher than all the Comparable Transactions with conversion price that are at a discount, except for the proposed convertible loan for Plastoform Holdings Limited, and is also significantly higher than the median and average discounts of 1.0% and 2.5% respectively. We further note that companies which issued convertible loans or bonds with conversion prices at a discount to their last traded market prices are with net liability positions. In the case of Plastoform Holdings Limited, its shares were suspended since 4 April 2019 pursuant to Rule 1303(3)(c) on the basis that it was unable to continue as a going concern or unable to demonstrate to the Exchange and its shareholders that it is able to do so. In comparison, Incredible is in a positive net asset position based on its latest reported balance sheet as at 31 December 2021; and
- (d) The Incredible Conversion Price and Incredible Effective Conversion Price is approximately 1.0 times and 0.6 times respectively of Incredible Group’s unaudited NAV as at 31 December 2021. This is within the range of the P/NAV ratios of the Comparable Transactions and at the lower end of the range. However, in contrast, the conversion price of the Ntegrator Bonds is approximately only 0.3 times of the Group’s Proforma NAV as at 31 December 2021 (after adjusting for subsequent share issuances up to the Latest Practicable Date).

**4.6 Precedent Transactions Involving the Issue of Non-convertible Perpetual Bonds by Companies Listed on the SGX-ST**

In assessing the reasonableness of the coupon rate of the Incredible Perpetual Bonds, we have made reference to the statistics of selected transactions involving the issue of non-convertible perpetual bonds that are quoted on the SGX and issued by companies (excluding real estate investment trusts and business trusts) listed on the SGX-ST between 1 January 2020 and 31 December 2021 (collectively, the “Comparable Perpetual Bonds Transactions”).

In making the comparison herein, we wish to highlight that the figures used in our assessment have been extracted where available and/or applicable from the relevant announcements or other publicly available sources. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

Shareholders should note that certain circumstances and terms relating to the Comparable Perpetual Bonds Transactions are unique and might not be identical to the Incredible Perpetual Bonds, and are dependent on various factors such as the financial performance and credit profile of the companies and the market sentiments prevailing at the time of such Comparable Perpetual Bonds Transactions.

The selected companies which are included in the Comparable Perpetual Bonds Transactions below might be different from Incredible in terms of business activities, scale of operations, types of products and/or services, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. As such, any comparison made is necessarily limited and intended to serve for illustrative purpose only.

<b>Issue Name</b>	<b>Issuer</b>	<b>Issue Date</b>	<b>Annual coupon rate</b>
DBSSP 3.300% Perpetual Corp (USD)	DBS Group Holdings Ltd	27-Feb-2020	3.30%
HACLSP 3.800% Perpetual Corp (USD)	Halcyon Agri Corporation Limited	18-Nov-2020	3.80%
OCBCSP 3.000% Perpetual Corp (SGD)	Oversea-Chinese Banking Corporation Limited	30-Sep-2020	3.00%
UOBSP 2.550% Perpetual Corp (SGD)	United Overseas Bank Limited (UOB)	15-Jan-2021	2.25%
UOBSP 2.250% Perpetual Corp (SGD)	United Overseas Bank Limited (UOB)	22-Jun-2021	2.55%

*Source: Bondsupermart.com*

Based on the above, we note that the coupon rates for the Comparable Perpetual Bonds Transactions ranges between 2.25% to 3.80% per annum. In contrast, the Incredible Perpetual Bonds do not provide any coupon yields.

**4.6 Financial effects of the Proposed Subscription**

The *pro forma* financial effects of the Proposed Subscription on the NTA per Share and the loss per Share (“LPS”) of the Group are set out in Paragraph 6 of the Circular and have been prepared based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2021.

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 Subscription.

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The financial effects on the NTA per share of the Company are computed assuming, *amongst others*, that (1) the placement of an aggregate of 187,863,480 placement shares to Ms Zhou Qilin at a subscription price of S\$0.01094 per placement shares, (the “**First Placement Exercise**”); (2) the proposed acquisition of the proposed acquisition of 85 shares in a private limited company to be incorporated in the British Virgin Islands (the “**Gadmobe**”), representing 85% of the issued share capital of Gadmobe, through Cyber Sail Global Limited, a wholly owned direct subsidiary of the Company (the “**Proposed Gadmobe Acquisition**”); (3) the proposed acquisition of 550 shares in Golden Ultra Limited (“**Golden Ultra**”), representing 55% of the issued share capital of Golden Ultra (the “**Proposed Golden Ultra Acquisition**”); (4) the placement of an aggregate of 172,400,000 placement shares to Ms Zheng Ze Li and Industrial Electronics Pte Ltd at a subscription price of S\$0.0082 per placement share (the “**Second Placement Exercise**”); and (5) the Proposed Capital Reduction (collectively, the “**Announced Transactions**”) were completed on 31 December 2021. Please refer to paragraph 6 of the Circular for further details of the assumptions.

In summary, we note the following financial effects of the Proposed Subscription:

- (a) the Group’s NTA per Share as at 31 December 2021 of approximately 0.63 Singapore cents would remain the same after the Proposed Subscription if the Announced Transactions and Proposed Subscription were completed on 31 December 2021, and after the 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds on 31 December 2021, as well as after the 1,000,000,000 Incredible Exercised Shares were issued by Incredible upon exercise of all of the Incredible Warrants on 31 December 2021; and
- (b) the Group’s net loss for the financial year ended 31 December 2021 of approximately S\$4.1 million would not change significantly after the Proposed Issuance if the Announced Transactions and Proposed Issuance were completed on 31 December 2021, and after the 525,000,000 Incredible Conversion Shares were issued by Incredible upon conversion of all of the Incredible Perpetual Convertible Bonds on 31 December 2021, as well as after the 1,000,000,000 Incredible Exercised Shares were issued by Incredible upon exercise of all of the Incredible Warrants on 31 December 2021.

### 4.7 Other Relevant Considerations

#### 4.7.1 Interested Persons abstaining from voting

As set out in Paragraph 13.3 of the Circular, Mr Heilesen and Mission Well will abstain from voting on the resolution approving the Proposed Subscription in accordance with Catalist Rule 812. Accordingly, the Proposed Subscription would be subject entirely to the approval of the independent Shareholders.

#### 4.7.2 Representations from the Company

As set out in Paragraph 4.6 of the Circular, the Company has represented that, *amongst others*, (i) the Company will not convert the Incredible Perpetual Convertible Bonds and exercise the Incredible Warrants to acquire shares which (taken together with shares held or acquired by persons acting in concert with it) carry 30% or more of the voting rights of Incredible; (ii) the Company will not convert the Incredible Perpetual Convertible Bonds and exercise the Incredible Warrants to acquire a controlling interest under the Catalist Rules without prior approval of shareholders of Incredible in general meeting; and (iii) the Company will not (a) acquire the Perpetual Non-Convertible Bonds, the Incredible Perpetual Convertible Bonds and/or the Incredible Warrants and/or (b) convert the Incredible Perpetual Convertible Bonds and/or exercise the Incredible Warrants to the extent that would result in a very substantial acquisition or a reverse takeover by the Company under the Catalist Rules.

Assuming there are no adjustments to the Incredible Conversion Price subsequent to the issuance of the Incredible Perpetual Convertible Bonds, Incredible will issue 525,000,000 Incredible Conversion Shares upon conversion of all the Incredible Perpetual Convertible Bonds, which represents approximately 14.92% of the enlarged total issued share capital of Incredible. Assuming there are no adjustments to the number of Incredible Warrants, Incredible will issue

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1,000,000,000 Incredible Exercised Shares upon exercise of all of the Incredible Warrants. The 525,000,000 Incredible Conversion Shares and the 1,000,000,000 Incredible Exercised Shares represent approximately 33.75% of the enlarged total issued share capital of Incredible. However, we note that pursuant to the representations by the Company, the Company will not hold 30% or more of the shareholding interest of Incredible at any point in time.

### 4.7.3 Source of Funds for 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 Incredible Perpetual Bonds of S\$6,900,000, the aggregate principal amount of Incredible Perpetual Convertible Bonds of S\$2,100,000 and the aggregate Incredible Exercise Price payable upon exercise of all of the Incredible 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. In this regard, the Proposed Subscription is conditional upon the completion of the Proposed Issuance.

### 4.7.4 Comparison of the salient terms of the Proposed Subscription to the Proposed Issuance

As the Proposed Subscription is inter-conditional and inter-connected with the Proposed Issuance, we summarise below a comparison of the salient terms of the Proposed Subscription vis-à-vis the Proposed Issuance:-

	Proposed Subscription	Proposed Issuance	More / Less favourable from the perspective of the Company
Consideration from bonds issuance	S\$9.0 million	S\$9.0 million	-
Type of bonds / Conversion shares as a % of enlarged share capital	76.7% are perpetual bonds (i.e. non-convertible) and 23.3% are perpetual convertible bonds / 14.92%	100% are perpetual convertible bonds / 63.29%	Proposed Subscription is less favourable as compared to Proposed Issuance
Interest rate of bonds	Zero	Zero	-
Discount of effective conversion price / conversion price to VWAP of issuer on the last market day prior to date of agreement	(21.6)%	(52.4)%	Proposed Subscription is less favourable as compared to Proposed Issuance
Discount of effective conversion price / conversion price to last reported NAV	(39.5)%	(65.5)%	Proposed Subscription is less favourable as compared to Proposed Issuance
Free warrants to be issued by the issuer / Exercised shares as a % of enlarged share capital	1,000,000,000 / 25.04%	10,000,000,000 / 87.46%	Proposed Subscription is less favourable as compared to Proposed Issuance

#### **4.7.5 Shareholding interest in Incredible Holdings Ltd**

Assuming the Proposed Subscription was completed, and 525,000,000 Incredible Conversion Shares were issued upon conversion of all of the Incredible Perpetual Convertible Bonds, the Company's shareholding interest in the enlarged share capital of Incredible Holdings Ltd would be 14.92%. This will further increase to 33.75% in the enlarged share capital of Incredible Holdings Ltd, if all the 1,000,000,000 Incredible Exercised Shares were issued upon exercise of all of the Incredible Warrants. In contrast, pursuant to the Proposed Issuance, Incredible Holdings Ltd's shareholding interest in the enlarged share capital of the Company would be 63.29% upon the issuance of 2,700,270,027 conversion shares upon the conversion of all of the perpetual convertible bonds issued to Incredible Holdings Ltd, and further increase to approximately 89.02% in the enlarged share capital of the Company upon the issuance of 10,000,000,000 exercised shares upon exercise of all the warrants issued to Incredible Holdings Ltd.

#### **4.7.6 Theoretical value of the Incredible Warrants**

The theoretical value of the Incredible Warrants is a function of, *inter alia*, the Incredible Exercise Price vis-à-vis the prevailing price of the underlying shares, the life period of the Incredible Warrants, the nature of the call option as to whether it is a European call option or an American call option, the risk-free interest rate and the price volatility of the underlying shares.

Based solely on the exercise price of the Incredible Warrants of S\$0.0016 and the VWAP of the shares of Incredible done on 30 December 2021 (being the last full market day on which the Shares were traded prior to the signing of the Incredible Subscription Agreement) and the last transacted price of the shares of Incredible as at the Latest Practicable Date of S\$0.00314 and S\$0.002 respectively, the implied intrinsic value of each Incredible Warrant will be S\$0.00154 and S\$0.0004 and the corresponding value of the Warrants to be issued to the Company based on the 1,000,000,000 Incredible Warrants will theoretically be worth S\$3.14 million and S\$0.4 million respectively. In contrast, based solely on the exercise price of the Warrants of S\$0.003333 and the VWAP of the Shares of the Company done on 30 December 2021 and the last transacted price of the Shares as at the Latest Practicable Date of S\$0.007 and S\$0.004 respectively, the implied intrinsic value of each Warrant will be S\$0.003667 and S\$0.000667 and the corresponding value of the Warrants to be issued by the Company to Incredible based on the 10,000,000,000 free Warrants will theoretically be worth S\$36.67 million and S\$6.67 million respectively. In summary, the Company will be issuing free Warrants to Incredible with implied intrinsic value of S\$6.67 million but will be receiving free Incredible Warrants with implied intrinsic value of only S\$0.4 million (based on the last transacted price of the Shares and Incredible's shares respectively as at the Latest Practicable Date).

In addition, given that the Incredible Warrants and the Warrants are exercisable over a 5-year period commencing on the date of issue of the warrants, there is time value to these warrants in addition to the aforesaid intrinsic value. It is further noted that the Incredible Warrants and the Warrants are expected to be listed and quoted on the Catalist Board of the SGX-ST, subject to amongst others, a sufficient spread of holdings of the respective warrants to provide for an orderly market for trading and in such an event, the value of these warrants may be realizable via a sale in the open market.

#### **4.7.7 The Proposed Distribution**

As set out in Paragraph 3.14 of the Circular, the Company will undertake the Proposed Distribution of 300,000,000 Incredible Warrants to Entitled Shareholders in proportion to their respective shareholdings in the Company, as at a record date to be determined. Entitled Shareholders will not be required to pay for any warrants received from the Proposed Distribution. Shareholders of the Company are advised to read future announcements made by the Company via SGXNET on this matter carefully for further details.

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## APPENDIX B – SUBSCRIPTION IFA LETTER

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### 5. 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 Subscription. 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 Subscription:

- (a) the rationale for the Proposed Subscription, details of which are set out in Paragraph 4.1 of this IFA Letter;
- (b) the analysis of the historical financial performance and financial condition of Incredible Group, details of which are set out in Paragraph 4.2 of this IFA Letter. In this regard, we note that the Incredible Effective Conversion Price represents a discount of 39.5% to the NAV per Share of Incredible as at 31 December 2021 and would value Incredible at a P/NAV ratio of 0.6 times;
- (c) the analysis of the market quotation and trading activity of the shares of Incredible, details of which are set out in Paragraph 4.3 of this IFA Letter. In this regard, we note the following:
  - the Incredible Effective Conversion Price represent a discount of approximately (60.3)%, (39.1)%, (39.3)% and (37.6)% to the VWAPs of the shares for the 1-year, 6-month, 3-month and 1-month periods prior to and including 31 December 2021 (being the date of the signing of the Incredible Subscription Agreement) respectively. The Incredible Effective Conversion Price is also lower than the highest closing prices of the shares for the 1-year period prior to and including 31 December 2021; and
  - the Incredible Effective Conversion Price represent a discount of approximately (21.6)% to the VWAP of the shares on 30 December 2021 (being the full market day prior to the signing of the Subscription Agreement);
- (d) in respect of Comparable Companies, we note that the P/NAV ratio of Incredible (as implied by the Incredible Effective Conversion Price) of 0.6 times is within the range of the P/NAV ratios of such Comparable Companies of between 0.3 times and 2.5 times, and below the mean and median P/NAV ratios of 1.2 times and 0.9 times respectively;
- (e) in respect of the Comparable Transactions, details of which are set out in Paragraph 4.5 of this IFA Letter, we note the following:
  - The Incredible Perpetual Bonds and Incredible Perpetual Convertible Bonds carry a coupon of zero interest, and this is within the range of the Comparable Transactions but lower than the median and the average interest rate of 2.0% and 3.8% of the Comparable Transactions respectively. In this regard, we further note that the Perpetual Convertible Bonds to be issued by the Company also do not yield any interest;
  - The Incredible Effective Conversion Price represent a discount of approximately 21.6% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of Incredible were traded prior to the signing of the Subscription Agreement). This is within the range for the Comparable Transactions and higher than the median and average discounts of 1.0% and 2.5% respectively. In contrast, the conversion price for the Perpetual Convertible Bonds to be issued by the Company represents a much higher discount of approximately 52.4% to the VWAP for trades done on 30 December 2021 (being the last full market day on which the shares of the Company were traded prior to the signing of the Subscription Agreement); and



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## APPENDIX B – SUBSCRIPTION IFA LETTER

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- The Incredible Effective Conversion Price is approximately 0.6 times of Incredible Group's unaudited NAV as at 31 December 2021. This is within the range of the P/NAV ratios of the Comparable Transactions and below the median and average P/NAV of 1.0 time and 4.0 times respectively. In contrast, the conversion price of the Perpetual Convertible Bonds to be issued by the Company is approximately 0.3 times of the Proforma NAV per Share of the Company as at 31 December 2021 (after adjusting for subsequent share issuances up to the Latest Practicable Date);
- (f) in respect of the Comparable Perpetual Bonds Transactions, details of which are set out in Paragraph 4.6 of this IFA Letter, we note that the coupon rates for the Comparable Perpetual Bonds Transactions ranges between 2.25% to 3.80% per annum. In contrast, the Incredible Perpetual Bonds do not provide any coupon yields;
- (g) the financial effects of the Proposed Subscription, details of which are set out in Paragraph 4.7 of this IFA Letter; and
- (h) other relevant considerations, details of which are set out in Paragraph 4.8 of this IFA Letter.

**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 Subscription 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 the salient terms of the Proposed Subscription vis-à-vis those of the Proposed Issuance.**

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 Issuance 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 Issuance.

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

**Sheila Ong**  
Senior Vice President  
Corporate Finance

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Ntegrator International Ltd.

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

*Unless otherwise defined, all capitalised terms herein shall have the same meanings ascribed to them in the circular issued by the Company to shareholders of the Company dated 6 April 2022.*

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**Notice is hereby given** that an Extraordinary General Meeting (the “**EGM**”) of **Ntegrator International Ltd.** (the “**Company**”) will be convened and held by way of electronic means on Thursday, 28 April 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:

### **Resolution 1**

#### **Ordinary Resolution: The Issuance Resolution**

RESOLVED THAT, subject to and contingent upon the passing of Resolution 2, Resolution 3, Resolution 4 and Resolution 5:

- (a) pursuant to the provisions of Section 161 of the Companies Act but subject otherwise to the provisions of the Companies Act and the constitution of the Company, the directors of the Company be and are hereby authorised to issue:
- (i) 0% perpetual convertible bonds of an aggregate principal amount of S\$9,000,000 (the “**Perpetual Convertible Bonds**”) which shall, at the option of the holder thereof, be convertible into new Shares (the “**Conversion Shares**”) at a conversion price of S\$0.003333 per Conversion Share (the “**Conversion Price**”), on the terms and conditions specified in the Subscription Agreement;
  - (ii) 10,000,000,000 free warrants (the “**Warrants**”), each Warrant shall grant the holder thereof the right to subscribe for one new Share (the “**Exercised Share**”) at an exercise price of S\$0.003333 (the “**Exercise Price**”), on the terms and conditions specified in the Deed Poll; and
  - (iii) such number of additional Warrants arising from the adjustments to the number of Warrants in accordance with the terms and conditions specified in the Deed Poll (such additional warrants to rank *pari passu* in all respects with then then existing Warrants and without preference or priority among themselves and among the then existing Warrants, save as may otherwise be provided in the terms and conditions specified in the Deed Poll),

and such authority shall continue in force until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (b) pursuant to the provisions of Section 161(4) of the Companies Act but subject otherwise to the provisions of the Companies Act and the constitution of the Company, the directors of the Company be and are hereby authorised to issue:
- (i) such number of Conversion Shares arising from the conversion of the Perpetual Convertible Bonds issued pursuant to paragraph (a)(i);
  - (ii) such number of Exercised Shares arising from the exercise of the Warrants issued pursuant to paragraph (a)(ii); and
  - (iii) such number of additional Exercised Shares arising from the exercise of the additional Warrants issued pursuant to paragraph (a)(iii),
- and such authority shall continue in force notwithstanding that the authority granted by paragraph (a) has ceased to be in force; and
- (c) the directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required and to approve any amendments or modifications to any such documents) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Resolution 1.

**Notes:**

- (1) The passing of the Issuance Resolution, the IPT Resolution, the Controlling Interest Resolution, the Subscription Resolution and the Incredible IPT Resolution are inter-conditional upon the passing of one another. This means if the Issuance Resolution is not passed at the EGM, the IPT Resolution, the Controlling Interest Resolution, the Subscription Resolution and the Incredible IPT Resolution will not be passed.
- (2) Mr Christian Kwok-Leun Yau Heilesen, Incredible and their associates shall abstain from voting on the Issuance Resolution.

**Resolution 2**

**Ordinary Resolution: The IPT Resolution**

RESOLVED THAT, subject to and contingent upon the passing of Resolution 1, Resolution 3, Resolution 4 and Resolution 5:

- (a) approval be and is hereby given for the Proposed Issuance as an interested person transaction for the purposes of Chapter 9 of the Catalist Rules; and
- (b) the directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required and to approve any amendments or modifications to any such documents) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Resolution 2.

**Notes:**

- (1) The passing of the Issuance Resolution, the IPT Resolution, the Controlling Interest Resolution, the Subscription Resolution and the Incredible IPT Resolution are inter-conditional upon the passing of one another. This means if the IPT Resolution is not passed at the EGM, the Issuance Resolution, the Controlling Interest Resolution, the Subscription Resolution and the Incredible IPT Resolution will not be passed.
- (2) Mr Christian Kwok-Leun Yau Heilesen, Incredible and their associates shall not vote on the IPT Resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Resolution 3

#### Ordinary Resolution: The Controlling Interest Resolution

RESOLVED THAT, subject to and contingent upon the passing of Resolution 1, Resolution 2, Resolution 4 and Resolution 5:

- (a) approval be and is hereby given for the transfer of controlling interest in the Company to Incredible in connection with the Proposed Issuance for the purposes of Catalist Rule 803; and
- (b) the directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required and to approve any amendments or modifications to any such documents) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Resolution 3.

#### Note:

- (1) The passing of the Issuance Resolution, the IPT Resolution, the Controlling Interest Resolution, the Subscription Resolution and the Incredible IPT Resolution are inter-conditional upon the passing of one another. This means if the Controlling Interest Resolution is not passed at the EGM, the Issuance Resolution, the IPT Resolution, the Subscription Resolution and the Incredible IPT Resolution will not be passed.

### Resolution 4

#### Ordinary Resolution: The Subscription Resolution

RESOLVED THAT, subject to and contingent upon the passing of Resolution 1, Resolution 2, Resolution 3 and Resolution 5:

- (a) the directors of the Company be and are hereby authorised to subscribe for:
  - (i) 0% perpetual bonds of an aggregate principal amount of S\$6,900,000 (the “**Incredible Perpetual Bonds**”);
  - (ii) 0% perpetual convertible bonds of an aggregate principal amount of S\$2,100,000 (the “**Incredible Perpetual Convertible Bonds**”) which shall, at the option of the holder thereof, be convertible into new ordinary shares in Incredible (the “**Incredible Conversion Shares**”) at a conversion price of S\$0.004 per Incredible Conversion Share (the “**Incredible Conversion Price**”); and
  - (iii) 1,000,000,000 free warrants (the “**Incredible Warrants**”), each Incredible Warrant shall grant the holder thereof the right to subscribe for one new ordinary share in Incredible Holdings Ltd. (the “**Incredible Exercised Share**”) at an exercise price of S\$0.0016 (the “**Incredible Exercise Price**”),
- (b) the directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required and to approve any amendments or modifications to any such documents) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Resolution 4.

#### Note:

- (1) The passing of Issuance Resolution, the IPT Resolution, the Controlling Interest Resolution, the Subscription Resolution and the Incredible IPT Resolution are inter-conditional upon the passing of one

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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another. This means if the Subscription Resolution is not passed at the EGM, the Issuance Resolution, the IPT Resolution, the Controlling Interest Resolution and the Incredible IPT Resolution will not be passed.

- (2) Mr Christian Kwok-Leun Yau Heilesen, Incredible and their associates shall abstain from voting on the Subscription Resolution.

### **Resolution 5**

#### **Ordinary Resolution: The Incredible IPT Resolution**

RESOLVED THAT, subject to and contingent upon the passing of Resolution 1, Resolution 2, Resolution 3 and Resolution 4:

- (a) approval be and is hereby given for the Proposed Subscription as an interested person transaction for the purposes of Chapter 9 of the Catalist Rules; and
- (b) the directors of the Company and each of them be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required and to approve any amendments or modifications to any such documents) as they and/or he/she may consider necessary, desirable or expedient to give effect to this Resolution 5.

#### **Notes:**

- (1) The passing of Issuance Resolution, the IPT Resolution, the Controlling Interest Resolution, the Subscription Resolution and the Incredible IPT Resolution are inter-conditional upon the passing of one another. This means if the Incredible IPT Resolution is not passed at the EGM, the Issuance Resolution, the IPT Resolution, the Controlling Interest Resolution and the Subscription Resolution will not be passed.
- (2) Mr Christian Kwok-Leun Yau Heilesen, Incredible and their associates shall not vote on the Incredible IPT Resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

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

Chay Yiowmin  
Independent Non-Executive Chairman and Independent Non-Executive Director

6 April 2022  
Singapore

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

1. The EGM will be convened and held by electronic means 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, as amended or modified from time to time.
2. **Printed copies of this Notice of EGM, the Circular and the Proxy Form will not be sent to members of the Company.** 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> and 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 the notes to the Notice of EGM and Section 15 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 members of the Company will not be able to attend the EGM in person. A member of the Company who wishes to exercise his/her/its voting rights at the EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM.** In appointing the Chairman of the EGM as proxy, a member of the Company must give specific instructions as to voting, or abstentions from voting, in respect of a resolution, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
5. Members of the Company who wish to watch and observe the proceedings of the EGM through the live audio-visual webcast or the live audio-only stream via their mobile phones, tablets or computers must pre-register at the URL <https://complete-corp.com/nil-egm/> by **12.00 p.m. (Singapore Time) on Monday, 25 April 2022** (that is, not less than 72 hours before the time fixed for holding the EGM) to enable the Company's Share Registrar, KCK CorpServe Pte. Ltd., to authenticate their status as members of the Company.  
  
Upon successful authentication, each such member of the Company will receive an email with instructions to access the live audio-visual webcast or the live audio-only stream (the "**Confirmation Email**") by **12.00 p.m. on Wednesday, 27 April 2022**. Only members of the Company who have been successfully authenticated will be entitled to access the live audio-visual webcast or the live audio-only stream. Members of the Company who have pre-registered but have not received the Confirmation Email by **12.00 p.m. on Wednesday, 27 April 2022** should contact the Company's Share Registrar, KCK CorpServe Pte. Ltd., at [nil-egm@kckcs.com.sg](mailto:nil-egm@kckcs.com.sg) as soon as practicable.
6. Members of the Company will not be able to ask questions at the EGM during the live audio-visual webcast or the live audio-only stream. Members of the Company may submit questions relating to the resolutions tabled for approval at the EGM, together with their full name (as per CDP/CPF/SRS/Script-based records), identification number (e.g. NRIC/Passport/Company Registration Number), shareholding type (e.g. CDP/CPF/SRS/Script-based), email address and contact number to enable the Company (or its agents or service providers) to authenticate their status as members of the Company, in the following manner:
  - (a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at [nil-egm@kckcs.com.sg](mailto:nil-egm@kckcs.com.sg); or
  - (b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621,in either case, by **12.00 p.m. (Singapore Time) on Saturday, 16 April 2022**. The Company will endeavour to address all substantial and relevant questions (determined by the Company in its sole discretion) received by **12.00 p.m. (Singapore Time) on Friday, 22 April 2022** (that is, at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms).
7. CPF/SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the EGM by **5.00 p.m. (Singapore Time) on Thursday, 14 April 2022** (that is, at least seven working days before the date of the EGM).
8. The Chairman of the EGM, acting as proxy, need not be a member of the Company.
9. A member of the Company who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form before submitting it to the Company in the following manner:
  - (a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at [nil-egm@kckcs.com.sg](mailto:nil-egm@kckcs.com.sg); or

## NOTICE OF EXTRAORDINARY GENERAL MEETING

(b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621,

in either case, by **12.00 p.m. (Singapore Time) on Monday, 25 April 2022** (that is, not less than 72 hours before the time fixed for holding the EGM). Members of the Company are strongly encouraged to submit the completed and signed Proxy Forms to the Company's Share Registrar via email.

10. A Depositor's name must appear on the Depository Register as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to access the live audio-visual webcast or the live audio-only stream, and to vote by appointing the Chairman of the EGM as proxy at the EGM.
11. The Company will publish the minutes of the 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 month after the date of the EGM.
12. As the COVID-19 situation in Singapore continues to evolve, members of the Company are advised to read the Government of Singapore's "COVID-19: Advisories for Various Sectors" at the URL <https://www.gov.sg/article/covid-19-sector-specific-advisories>, including the health advisories issued by the Ministry of Health. The Company will monitor the situation and reserves the right to take further measures as appropriate in order to comply with the various government and regulatory advisories. Any changes to the manner of conduct of the EGM will be announced 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>.

### Summary of Key Dates and Times

Dates and Times	Action to be taken by Members of the Company
By 12.00 p.m. (Singapore Time) on Friday, 15 April 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 Issuance Resolution, the IPT Resolution, the Controlling Interest Resolution, the Subscription Resolution and the Incredible IPT Resolution at the Virtual Information Session.</p>
By 12.00 p.m. (Singapore Time) on Saturday, 16 April 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>
By 5.00 p.m. (Singapore Time) on Thursday, 14 April 2022	<p>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.</p>
By 12.00 p.m. (Singapore Time) on Sunday, 17 April 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 "<b>VIS Confirmation Email</b>").</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 17 April 2022, should contact the Company's Share Registrar at <a href="mailto:nil-egm@kckcs.com.sg">nil-egm@kckcs.com.sg</a>.</p>
By 12.00 p.m. (Singapore Time) on Monday, 18 April 2022	<p>Shareholders may participate at the Virtual Information Session via electronic means by:</p> <ol style="list-style-type: none"> <li>(a) accessing the URL in the VIS Confirmation Email and entering the user ID and password to access the live audio-visual webcast; or</li> <li>(b) calling the toll-free telephone number to access the live audio-only stream.</li> </ol>
By 12.00 p.m. (Singapore Time) on Monday, 25 April 2022	<p>Deadline for Shareholders to:</p> <ol style="list-style-type: none"> <li>(a) pre-register for the live audio-visual webcast or live audio only stream; and</li> </ol>

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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	(b) submit Proxy Forms to appoint the Chairman of the Meeting to attend, speak and vote at the EGM.
12.00 p.m. (Singapore Time) on Wednesday, 27 April 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 "<b>Confirmation Email</b>").</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 27 April 2022, should contact the Company's Share Registrar at <a href="mailto:nil-egm@kckcs.com.sg">nil-egm@kckcs.com.sg</a>.</p>
12.00 p.m. (Singapore Time) on Thursday, 28 April 2022	<p>Shareholders may participate at the EGM via electronic means by:</p> <p>(f) accessing the URL in the Confirmation Email and entering the user ID and password to access the live audio-visual webcast; or</p> <p>(g) calling the toll-free telephone number to access the live audio-only stream.</p>

### Personal Data Privacy:

By submitting the Proxy Form appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member'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 EGM 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

### Ntegrator International Ltd.

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

## PROXY FORM

#### IMPORTANT:

1. Unless otherwise defined, all capitalised terms herein shall have the same meanings ascribed to them in the circular issued by the Company to shareholders of the Company dated 6 April 2022.
2. The EGM will be convened and held by electronic means 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, as amended or modified from time to time.
3. **Printed copies of the Notice of EGM, the Circular and this Proxy Form will not be sent to members of the Company.** 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> and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
4. Alternative arrangements relating to attendance at the EGM via electronic means through the live audio-visual webcast or the live audio-only stream, submission of questions in advance of the EGM and appointment of the Chairman of the EGM as proxy to vote at the EGM are set out in the notes to the Notice of EGM.
5. **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 members of the Company will not be able to attend the EGM in person. A member of the Company who wishes to exercise his/her/its voting rights at the EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM.** In appointing the Chairman of the EGM as proxy, a member of the Company must give specific instructions as to voting, or abstentions from voting, in respect of a resolution, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
6. CPF/SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes by **(Singapore Time) on , 14 April 2022** (that is, at least seven working days before the date of the EGM).
7. By submitting a Proxy Form, a member of the Company is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of EGM.
8. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM as proxy to vote at the EGM.**

### EXTRAORDINARY GENERAL MEETING

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

being a member of **Ntegrator International Ltd.** (the "**Company**"), hereby appoint the Chairman of the EGM as my/our\* proxy to attend, speak and vote for me/us\* on my/our\* behalf at the EGM to be convened and held by way of electronic means on Thursday, 28 April 2022 at 12.00 p.m. (Singapore Time) and at any adjournment thereof.

I/We\* direct the Chairman of the EGM to vote for or against, or abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder. **In absence of specific instructions as to voting, or abstentions from voting, in respect of a resolution, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.**

All resolutions put to vote at the EGM shall be decided by way of poll.

Ordinary Resolutions relating to:	Number of Votes For <sup>#</sup>	Number of Votes Against <sup>#</sup>	Number of Votes Abstained <sup>^</sup>
1. The Issuance Resolution			
2. The IPT Resolution			
3. The Controlling Interest Resolution			
4. The Subscription Resolution			
5. The Incredible IPT Resolution			

\* Delete as appropriate.

<sup>#</sup> If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate so with a (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

<sup>^</sup> 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.

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## PROXY FORM

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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 Member*



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## PROXY FORM

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### Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register, 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, a Proxy Form shall be deemed to relate to all the Shares held by you.
2. 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 the notes to the Notice of EGM and Section 15 of the Circular.
3. **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 members of the Company will not be able to attend the EGM in person. A member of the Company who wishes to exercise his/her/its voting rights at the EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM.** In appointing the Chairman of the EGM as proxy, a member of the Company must give specific instructions as to voting, or abstentions from voting, in respect of a resolution, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
4. CPF/SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes by **(Singapore Time) on , 14 April 2022** (that is, at least seven working days before the date of the EGM).
5. The Chairman of the EGM, acting as proxy, need not be a member of the Company.
6. A member of the Company who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form before submitting it to the Company in the following manner:
  - (a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at [nil-egm@kckcs.com.sg](mailto:nil-egm@kckcs.com.sg); or
  - (b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621,in either case, by **12.00 p.m. (Singapore Time) on Monday, 25 April 2022** (that is, not less than 72 hours before the time fixed for holding the EGM). Members of the Company are strongly encouraged to submit the completed and signed Proxy Forms to the Company's Share Registrar via email.
7. Where a Proxy Form is executed by an individual, it must be executed under the hand of the individual or his/her attorney duly authorised in writing. Where a Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or officer duly authorised in writing.
8. Where a Proxy Form is signed on behalf of an individual or a corporation, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be submitted to the Company together with the Proxy Form, failing which the Proxy Form may be treated as invalid.
9. The Company shall be entitled to reject a Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of a member of the Company whose Shares are entered against his/her/its name in the Depository Register, the Company may reject a Proxy Form if such member, being the appointor, is not shown to have Shares entered against his/her/its 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.
10. Any amendments or modifications made in a Proxy Form must be initialled by the person who signs the Proxy Form.