

NTEGRATOR INTERNATIONAL LTD.

(Registration No. 199904281D)
(Incorporated in the Republic of Singapore)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE ("RIGHTS ISSUE") OF UP TO 260,416,758 NEW SHARES ("RIGHTS SHARES") IN THE CAPITAL OF NTEGRATOR INTERNATIONAL LTD. ("COMPANY") AT AN ISSUE PRICE OF S\$0.015 FOR EACH RIGHTS SHARE AND ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY THE SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED BELOW) TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

Introduction

The Board of Directors (the "**Directors**") of Ntegrator International Ltd. (the "**Company**") wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue ("**Rights Issue**") of up to 260,416,758 new shares ("**Rights Shares**") at an issue price of S\$0.015 for each Rights Share, on the basis of three (3) Rights Shares for every one (1) existing ordinary share in the capital of the Company ("**Shares**") held by shareholders of the Company (the "**Shareholders**") as at a time and date to be determined by the Directors for the purpose of determining the entitlements of Shareholders under the Rights Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded.

The Company has appointed Asian Corporate Advisors Pte. Ltd. as the manager (the "**Manager**") of the Rights Issue.

As at the date hereof, the Company has 80,088,586 Shares that have been issued and are fully paid up (the "**Existing Issued Share Capital**"). As at the date hereof, although an aggregate of 6,717,000 employee share options ("**Share Options**") have been granted, accepted and are outstanding, none of the said Share Options has been vested and are exercisable. The Share Options are exercisable during the period commencing from 11 September 2007 and ending on either 10 September 2012 or 10 September 2017 if all the terms and conditions pursuant to the Share Options, *inter alia*, the vesting conditions are met. On the assumption that all the Share Options are exercised in full, the issued share capital of the Company will increase to 86,805,586 Shares (the "**Enlarged Issued Share Capital**").

Proposed Principal Terms of the Rights Issue

The Company is proposing the Rights Issue at an issue price of S\$0.015 for each Rights Share to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (the "**CDP**"), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Entitled Shareholders**"). The Rights Issue will be made on a basis of three (3) Rights Shares for every one (1) Share held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

The issue price of S\$0.015 for each Rights Share represents a discount of approximately 90.0% from the last transacted price of S\$0.15 for each Share on the Singapore Exchange Securities Trading Limited Dealing and Automated Quotation System ("**SGX SESDAQ**") on 1 August 2007, being the latest market day preceding the date of this announcement, wherein the Shares were traded on the SGX SESDAQ.

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**").

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares, which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX SESDAQ as soon as practicable after dealings in the provisional allotments of Rights Shares commence or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company. Any entitlements to the Rights Shares not taken up for any reason will be aggregated and allotted to satisfy excess applications or disposed of in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expected expenses to be incurred. The net proceeds from all such sales, after deduction of all expenses there from, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their OWN RISK by ORDINARY POST, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, Manager, CDP and their respective officers in connection therewith. Where such provisional allotments of Rights Shares are sold "nil-paid" on the SGX SESDAQ, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager, CDP and their respective officers in respect of such sales or the proceeds thereof, of such provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

Entitled Shareholders are at liberty to accept, decline or otherwise renounce or trade their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of the Rights Shares which are not taken up for any reason or the excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and substantial shareholders and Directors will rank last in priority.

The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save that they shall not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which is before the date of issue of the Rights Shares. For this purpose, "record date" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered in order to participate in such dividends, Rights, allotments or other distributions

Based on the Existing Issued Share Capital and the Enlarged Issued Share Capital of 80,088,586 Shares and 86,805,586 Shares respectively, a minimum of 240,265,758 Rights Shares ("**100% Subscription Based on Existing Issued Share Capital**") and a maximum of 260,416,758 Rights Shares ("**100% Subscription Based on Enlarged Issued Share Capital**") would be issued pursuant to the Rights Issue, representing approximately 300% and 325.2% of the Existing Issued Share Capital respectively.

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Manager, may deem fit. The final terms and conditions of the Rights Issue will be contained in the offer information statement to be issued by the Company in connection with the Rights Issue (the “**Offer Information Statement**”). The Offer Information Statement to be issued in relation to and for the purposes of the Rights Issue and the accompanying documents will not be mailed outside Singapore.

Purpose of the Rights Issue and Use of Proceeds

The estimated net proceeds (the “**Net Proceeds**”) of the Rights Issue, after deducting estimated expenses, will amount to approximately S\$3.3 million (assuming a 100% Subscription Based on Existing Issued Share Capital) to S\$3.6 million (assuming a 100% Subscription Based on Enlarged Issued Share Capital). The Company intends to utilise approximately S\$2.5 million of the Net Proceeds for the Group’s existing or expanded operations (as the case may be) in Singapore and to pursue any opportunities for the expansion of its operations overseas. The balance of approximately S\$0.8 million (assuming a 100% Subscription Based on Existing Issued Share Capital) to S\$1.1 million (assuming a 100% Subscription Based on Enlarged Issued Share Capital) of the Net Proceeds will be used for working capital purposes and/or the repayment of borrowings of the Company and/or its subsidiaries.

As and when any significant amount of the Net Proceeds is deployed, the Company will make the necessary announcements and subsequently provide a status report on the use of such Net Proceeds in its annual report. Pending the deployment of the Net Proceeds for the use identified above, the Net Proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

Undertakings

As at the date of this announcement, Han Meng Siew, Jimmy Chang Joo Whut, Kenneth Sw Chan Kit and Goh Siok Kuan (collectively the “**Undertaking Shareholders**”) who together directly hold an aggregate of 13,892,000 Shares, representing approximately 17.35% of the Existing Issued Share Capital, have separately provided irrevocable undertakings (the “**Shareholders’ Undertakings**”) on 7 August 2007 to subscribe and/or procure the subscriptions and payment for their respective Rights Shares entitlements under the Rights Issue. The Undertaking Shareholders had provided their undertakings to demonstrate their commitment to the Company.

For illustrative purpose only:

- (i) Assuming that all Shareholders subscribe for their rights entitlements and based on the Existing Issued Share Capital, the number of Shares held by the Undertaking Shareholders before and after the Rights Issue and their respective percentage of holdings based on the share capital before and after the Rights Issue (the “**100% Subscription Based on Existing Issued Share Capital**”) are as set out below. The estimated gross proceeds raised under the 100% Subscription Based on Existing Issued Share Capital will be approximately S\$3.6 million.

Undertaking Shareholders	No of Shares	%	Rights Shares to be subscribed	No of Shares after Rights Issue	%
Han Meng Siew	1,531,000	1.91%	4,593,000	6,124,000	1.91%
Goh Siok Kuan	6,000,000	7.49%	18,000,000	24,000,000	7.49%
Jimmy Chang Joo Whut	3,531,000	4.41%	10,593,000	14,124,000	4.41%
Kenneth Sw Chan Kit	2,830,000	3.53%	8,490,000	11,320,000	3.53%
	13,892,000	17.35%	41,676,000	55,568,000	17.35%
Total Number of Shares	80,088,586		240,265,758	320,354,344	

- (ii) Assuming that all the exercisable Share Options are exercised in full pursuant to the terms and conditions for the Share Options and that all Shareholders subscribe for their rights entitlements and based on the Enlarged Issued Share Capital, the number of Shares held by the Undertaking Shareholders before and after the Rights Issue and their respective percentage of holdings based on the share capital before and after the Rights Issue (the “**100% Subscription Based on Enlarged Issued Share Capital**”) are as set out below. The estimated gross proceeds raised under the 100% Subscription Based on Enlarged Issued Share Capital will be approximately S\$3.9 million.

Undertaking Shareholders	Existing No of Shares	New Shares issued pursuant to the exercising of Share Options	Total No of Shares based on Enlarged Share Capital	%	Rights Shares to be subscribed	Total No of Shares after the Rights Issue and the exercise of all Share Options	%
Han Meng Siew	1,531,000	1,000,000	2,531,000	2.92%	7,593,000	10,124,000	2.92%
Goh Siok Kuan	6,000,000	-	6,000,000	6.91%	18,000,000	24,000,000	6.91%
Jimmy Chang Joo Whut	3,531,000	1,000,000	4,531,000	5.22%	13,593,000	18,124,000	5.22%
Kenneth Sw Chan Kit	2,830,000	1,000,000	3,830,000	4.41%	11,490,000	15,320,000	4.41%
	13,892,000	3,000,000	16,892,000	19.46%	50,676,000	67,568,000	19.46%
Total Number of Shares	80,088,586	6,717,000	86,805,586		260,416,758	347,222,344	

- (iii) Assuming that the Share Options are not exercised and all of the Shareholders (other than the Undertaking Shareholders) do not subscribe for their rights entitlements and based on the Existing Issued Share Capital, the number of Shares held by the Undertaking Shareholders before and after the Rights Issue and their respective percentage of holdings based on the share capital before and after the Rights Issue (the “**Scaled Down Subscription with Share Options Not Exercised**”) are as set out below. The estimated gross proceeds raised under the Scaled Down Subscription with Share Options Not Exercised will be approximately S\$0.2 million.

Undertaking Shareholders	No of Shares	%	Rights Shares to be subscribed ⁽²⁾	No of Shares after Rights Issue	%
Han Meng Siew	1,531,000	1.91%	1,595,577	3,126,577	3.31%
Goh Siok Kuan	6,000,000	7.49%	6,253,080	12,253,080	12.96%
Jimmy Chang Joo Whut	3,531,000	4.41%	3,679,938	7,210,938	7.63%
Kenneth Sw Chan Kit	2,830,000	3.53%	2,949,369	5,779,369	6.11%
	13,892,000	17.35%	14,477,964	28,369,964	⁽¹⁾ 30.00%
Total Number of Shares	80,088,586		14,477,964	94,566,550	

Note:

- (1) 30.00% of the issued share capital of the Company after the Rights Issue less 1 share.
(2) Assumes that the Undertaking Shareholders are scaled down in proportion to their respective shareholdings as at the date of announcement for the Rights Issue, subject to rounding.

- (iv) Assuming that only the Undertaking Shareholders' exercise their Share Options and all of the Shareholders (other than the Undertaking Shareholders) do not subscribe for their rights entitlements and based on the share capital after the new shares are issued pursuant to the exercising of Share Options by the Undertaking Shareholders, the number of Shares held before and after the Rights Issue by the Undertaking Shareholders and their respective percentage of holdings based on the share capital before and after the Rights Issue are as set out below (the "**Scaled Down Subscription with Undertaking Shareholders' Share Options Exercised**"). The estimated gross proceeds raised under the Scaled Down Subscription with Undertaking Shareholders' Share Options Exercised will be approximately S\$0.2 million.

Undertaking Shareholders	Existing No of Shares	New Shares issued pursuant to the exercising of Share Options by the Undertaking Shareholders	Total No of Shares based on exercising of Share Options by the Undertaking Shareholders	%	Rights Shares to be subscribed ⁽²⁾	Total No of Shares after the Rights Issue and the exercise of Share Options by the Undertaking Shareholders	%
Han Meng Siew	1,531,000	1,000,000	2,531,000	3.05%	1,264,956	3,795,956	4.01%
Goh Siok Kuan	6,000,000	-	6,000,000	7.22%	4,957,370	10,957,370	11.59%
Jimmy Chang Joo Whut	3,531,000	1,000,000	4,531,000	5.45%	2,917,412	7,448,412	7.88%
Kenneth Sw Chan Kit	2,830,000	1,000,000	3,830,000	4.61%	2,338,226	6,168,226	6.52%
	13,892,000	3,000,000	16,892,000	20.33%	11,477,964	28,369,964	⁽¹⁾ 30.00%
Total Number of Shares	80,088,586	3,000,000	83,088,586			94,566,550	

Note:

(1) 30.00% of the issued share capital of the Company after the Rights Issue less 1 share.

(2) Assumes that the Undertaking Shareholders are scaled down in proportion to their respective shareholdings as at the date of announcement for the Rights Issue, subject to rounding.

In view of the above undertakings and the savings in costs by the Company in respect of underwriting fees for a non-underwritten rights issue, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

Option to Scale Down Subscription

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares by any of the Undertaking Shareholders to avoid placing the Undertaking Shareholders in the position of incurring a mandatory general offer obligation under the Code on Takeovers and Mergers in the event that the Rights Issue is not fully subscribed.

Approvals

The Rights Issue is subject to, *inter alia*:-

- (a) the approval from Shareholders at an extraordinary general meeting ("**EGM**") to be convened in connection with the Rights Issue. A circular containing, *inter alia*, the notice of the EGM and details of the Rights Issue will be despatched to the Shareholders in due course;

- (b) the in-principle approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of and quotation for the Rights Shares on the SGX SESDAQ. An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares. An appropriate announcement on the outcome of the application will be made in due course; and
- (c) the lodgement of the Offer Information Statement with the Monetary Authority of Singapore.

Responsibility Statement

The Directors (including those who may have been delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

By Order of the Board

Kenneth Sw
Company Secretary
Ntegrator International Limited
7 August 2007