Annual Report 2009

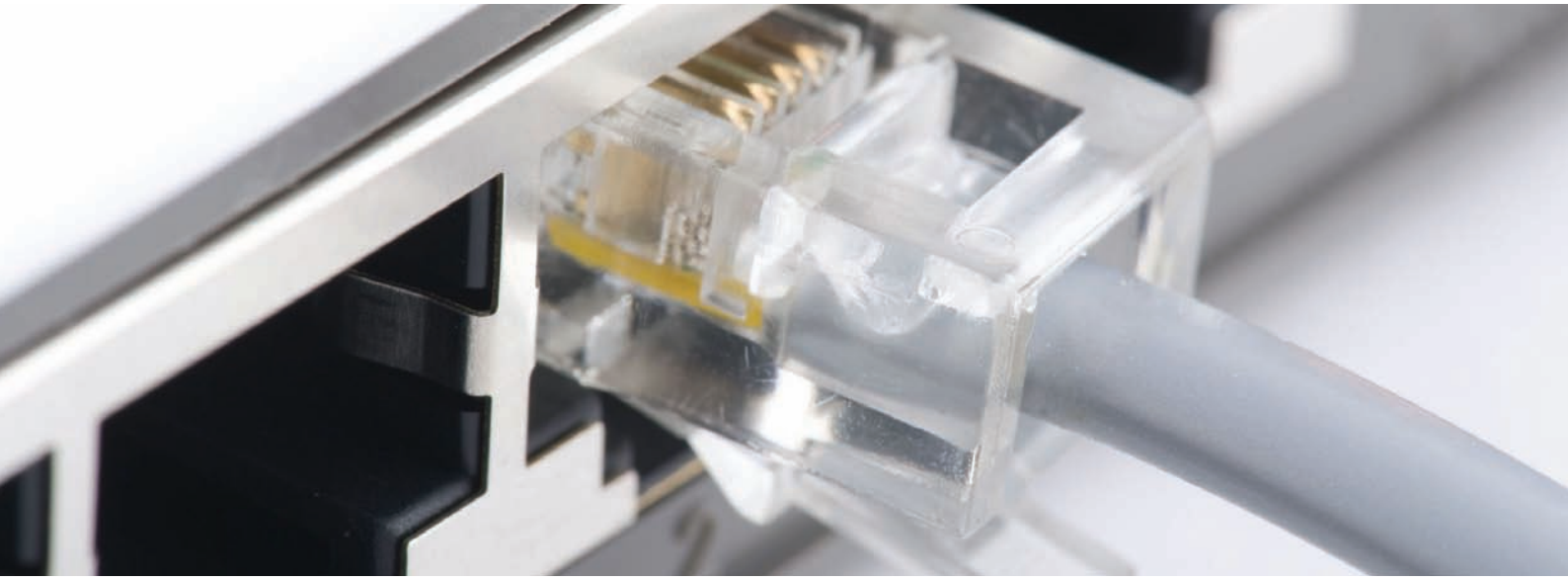
INTEGRATOR

This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this Annual Report including the correctness of any of the figures used, statements or opinions made.

This Annual Report has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Annual Report including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms Foo Quee Yin.
Telephone number: 6221 0271

## Contents



# CORPORATE PROFILE

Established in 2002 and listed on Catalist in 2005, Ntegrator is one of the leading players in the IT and telecommunications industries in the region, backed by an established track record. Ntegrator's core businesses include the design, installation and implementation of data, video, fibre optics, wireless and cellular network infrastructure as well as voice communication systems. The Group also provides project management services as well as maintenance and support services.

The Group counts companies such as Viettel (the largest telco operator in Vietnam), SingTel, M1, and the Government of Myanmar amongst its well-established customer base. In addition, the Group is supported by its loyal key suppliers, including Alcatel and ECI - all leading players in their respective fields.

Having established a strong foothold in Singapore and Vietnam, the Group is now making inroads into other Indo-China countries, expanding its regional footprint to new markets such as Cambodia.

## OUR VISION

*To be a global, world-class provider of information technology and telecommunications solutions, offering high-tech network infrastructure and voice communication systems.*

# OUR BUSINESS

## PROJECT SALES

Our Project Sales Division is sub-divided into Network Infrastructure and Voice Communication Systems.

### Network Infrastructure

We integrate network infrastructure which enables end-users to communicate electronically within an organisation or with another organisation, either within the same country or globally.

We provide total end-to-end infrastructural business solutions, such as:

- Network integration services, from fixed-line, e.g. Optical DWDM, SDH, IPDSLAM and ADSL, to wireless solutions, e.g. Microwave, VSAT and WIMAX;
- Design, installation and implementation of data, video, fibre optics, wireless and cellular network infrastructure;
- Customised solutions according to customers' needs.

### Voice Communication Systems

We are able to seamlessly integrate voice and data signals used in large organisations' telephone network, which include:

- PABX;
- Video conferencing systems;
- Voice messaging, recording or logging systems; and
- VoIP applications.

We offer flexible and user-configurable systems for exact customisation to our customers' needs, ensuring the delivery of total end-to-end enterprise business solutions.

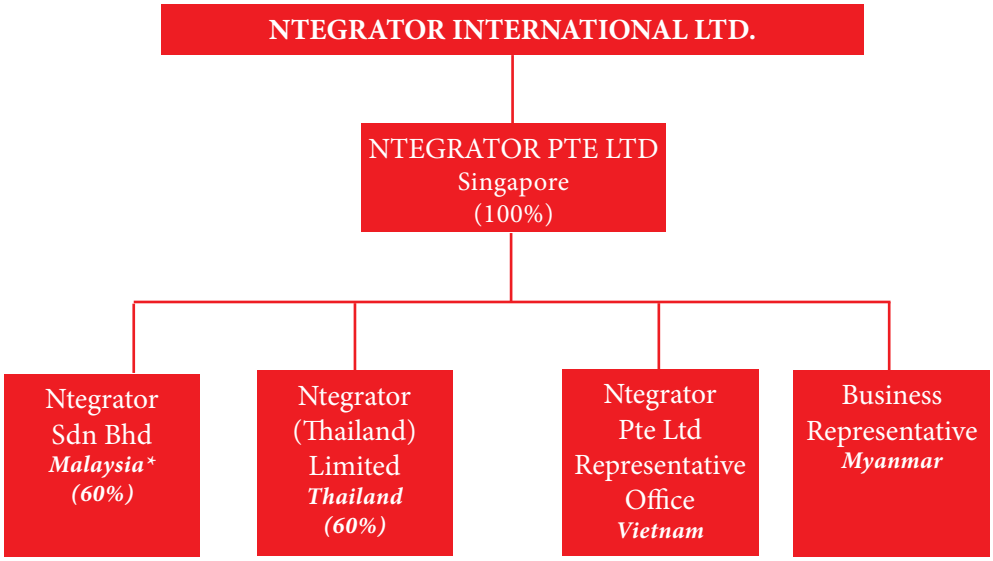
# OUR BUSINESS

## PROJECT MANAGEMENT AND MAINTENANCE SERVICES

Our Project Management Services include the provision of installation and implementation services for our network infrastructure and voice communication systems.

We also offer onsite and online maintenance and support services. These services are supported by our 24-hour fault control hotline, hardware and software repair services, online CRM system services, 24-hour onsite support services and 24-hour remote modem dial-in services.

## GROUP STRUCTURE




*The entire interest in Ntegrator Sdn Bhd has been disposed on 15 March 2010

# CHAIRMAN'S MESSAGE

**DEAR SHAREHOLDERS,**

**Navigating through turbulence caused by the global financial storms that continued into FY2009, Ntegrator stayed vigilant, steered by a seasoned Board and experienced management team. As a result, the Group managed to record a healthy growth in its topline and also clinched new contracts from many of the leading telcos in Indo-China, Thailand and Singapore.**

## Financial Performance

Group revenue increased by 16.7% from S$47.9 million in FY2008 to S$55.9 million in FY2009, mainly due to the timely completion of several major projects. Group pre-tax profit was S$1.0 million, a 47% improvement over FY2008's performance.

Despite the challenging business conditions, Project Sales recorded a 13.3% increase in revenue to S$48.2 million, reflecting the confidence of our valued repeat customers. Our Project Management and Maintenance Services also performed better, registering a 43.5% increase in revenue to S$7.8 million. This is mainly attributable to renewal of contracts by existing customers and project management services rendered by one of our overseas subsidiaries.

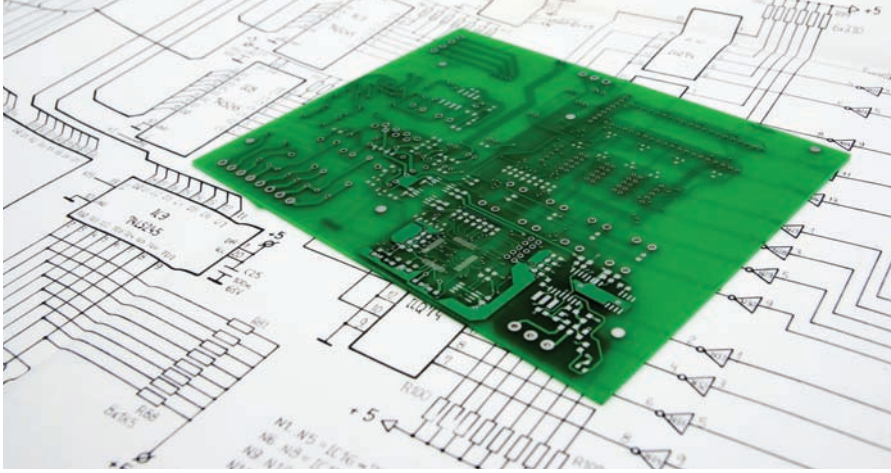
Ntegrator continued to enjoy a healthy balance sheet with a shareholders' equity of S$23 million and an increased Net Asset Value per ordinary share of 6.49 cents as at 31 December 2009.

## New Contracts

The Group continued to grow its footprint in the emerging Indo-China region, with emphasis on Vietnam where opportunities continue to open up for us. During the year under review, Ntegrator secured a few more new contracts from Viettel Corporation, Vietnam's largest telco operator and our valued long-term customer since our inception in 2002.

Following the opening of a beachhead into Cambodia with two maiden contracts from Viettel Cambodia last year, we won a third contract from the same customer. This is testimony not only of our good relationship but more importantly, the quality and reliability of our project delivery.

The Group won two milestone contracts worth S$22 million from Singapore's largest telco, SingTel, to roll out its Next Generation Nationwide Broadband Network ("Next Gen NBN"). These two contracts constitute the largest local project secured by Ntegrator todate from a single customer in Singapore.



*Group pre-tax profit was S$1.0 million, a 47% improvement over FY2008's performance.*

When completed by the end of 2012, the Next Gen NBN will be a key milestone in Singapore's info-communications landscape, enhancing its status as an info-communications hub and raising our country's global profile. This ground-breaking info-communications development reinforces Ntegrator's leading regional position in the network infrastructure systems integration industry.

Another contract secured from a major Singapore institution during the year was the installation of a voice communication system for the Civil Aviation Authority of Singapore ("CAAS"). This is the Group's second contract from CAAS, following its maiden contract awarded to us in 2007. This repeat business again attest to the Group's trusted track record and strong technical expertise in providing customised solutions for network infrastructure and voice communication systems.

**Prospects**

Going forward, we are optimistic that more opportunities will open up for Ntegrator to play an active role in expanding the region's leading telcos' current infrastructure and networks and supporting their new initiatives in info-communications, especially in the emerging economies of Indo-China.

Our strong order book of S$46.8 million as at 31 December 2009 puts Ntegrator in a stable financial position as we move into FY2010.

In view of the Group's stronger performance and to reward our loyal shareholders, the Directors have recommended a final scrip and cash dividend of 0.2 cents per ordinary share. This final dividend will be paid to all shareholders according to the Scrip Dividend Scheme which was approved at the Special General Meeting held on 12 February 2010. This means that shareholders can opt to receive the dividend in cash or be allotted Dividend Shares in lieu of the cash amount of dividend entitled.

To conclude, I would like to express my gratitude to my fellow Directors for their invaluable leadership and guidance, our loyal shareholders and valued business associates, for their patience and encouragement and our dedicated staff for their hard work and contributions towards sustaining the growth of Ntegrator.

Bernard Chen Tien Lap
Chairman
23 March 2010

# OPERATIONS REVIEW

## Geographical Markets

Vietnam remained our largest market in FY2009, accounting for S$34.7 million or 62.1% of Group revenue. Singapore regained ground to become the second largest market with a 16.6% share or S$9.3 million of Group revenue. Our reliance on Myanmar was scaled down from S$12.7 million or 26.5% to S$2.9 million or 5.2% of Group revenue. Other various markets, which include Thailand and Cambodia accounted for S$9.0 million or 16.1% of Group revenue.

## Overview

Despite challenging business conditions, Group revenue registered an increase of 16.7% from S$47.9 million in FY2008 to S$55.9 million in FY2009. This healthy growth in revenue reflects the confidence of our valued repeat customers.

Project Sales recorded a 13.3% increase in revenue to S$48.2 million. Our Project Management and Maintenance Services also performed better, registering a 43.5% increase in revenue to S$7.8 million. This was mainly attributable to renewal of contracts by existing customers and project management services rendered by one of our overseas subsidiaries.

Gross profit for Project Sales jumped sharply by 147.9% to S$5.4 million, mainly due to the decrease in finance cost which was largely accounted for in the previous year. Project Management and Maintenance Services, however, saw a decline of 57.3% in gross profit to S$1.9 million contribution. This was mainly due to lower margins from project management services provided by an overseas subsidiary. Notwithstanding this, the contribution for Project Management maintained a healthy margin of 25%.

In line with the increase in gross profit, our pretax profit for FY2009 increased by 47% to S$1.0 million.

## Order Book

As at 31 December 2009, we had an outstanding order book of S$46.8 million, of which a significant portion is expected to be completed within FY2010.

# BOARD OF DIRECTORS

Bernard Chen Tien Lap
Non-Executive Chairman and Independent Director

Han Meng Siew
Deputy Chairman and Executive Director

Jimmy Chang Joo Whut
Managing Director and Executive Director

Tay Koon Chuan
Non-Executive Director

Lai Chun Loong
Independent Director

Charles George St. John Reed
Independent Director

Loudon Frank McLean Owen
Non-Executive Director

Zacchaeus Boon Suan Zin
Alternate to Loudon Frank McLean Owen

Lee Keen Whye
Independent Director

**Bernard Chen Tien Lap**
Non-Executive Chairman and Independent Director

Mr Chen was appointed as a Director of Ntegrator in January 2005.

Mr Chen's career spanned both the government and private sectors. A former Parliamentarian, Mr Chen served as Minister of State for Defence from 1977 to 1981, following which he joined the Fraser & Neave Group as General Manager and Director. Subsequently, he moved on to Intraco Ltd as Chief Executive Officer.

Mr Chen is Chairman of Singapore Pools Pte Ltd and Chairman of CNA Group Ltd.

Mr Chen graduated from University of Alberta, Edmonton, Canada, with a Bachelor of Science (First Class Honours). He also has a Master of Public Administration from Harvard University, USA, and a Bachelor of Arts degree in Theological Studies from Australian Catholic University.

**Han Meng Siew**
Deputy Chairman and Executive Director

Mr Han was appointed as a Director of Ntegrator in July 2004, and brings to the Board over 30 years of experience in the telecommunications industry.

Mr Han started his career in the telecoms industry with Singapore Telecommunications Limited in 1981, after which he moved to Teledata (Singapore) Ltd ("Teledata") in 1987, serving as General Manager and subsequently, Managing Director. He was instrumental in the turnaround of Teledata, guiding it to its SGX-ST listing in 1994.

Mr Han received his Bachelor of Engineering degree from the National University of Singapore and also holds a Graduate Diploma in Business Administration from the Singapore Institute of Management.

Jimmy Chang Joo Whut
Managing Director

Mr Chang was appointed as our Director in July 2002. He has been our Managing Director since the establishment of the Group in 2002, responsible for managing the day-to-day business operations and overseeing the business, development and engineering support of our network infrastructure team.

Mr Chang began his career in the telecommunications industry at Singapore Telecommunications Limited in 1980. After a five-year stint at Wandel & Goltermann Ltd as a consultant and subsequently, regional manager, Mr Chang joined Teledata in 1993, moving on to be an executive director of Plexus Technology Pte Ltd, a subsidiary of Teledata, in 1996.

Mr Chang has an Industrial Technician Certificate in Electrical Engineering from the Singapore Technical Institute and a Diploma in Telecommunications from City & Guild in London. He is a member of US-based NetDevices Technical Advisory Board, which provides next-generation edge networking solutions for enterprises and managed service providers.

**Tay Koon Chuan**
Non-Executive Director

Mr Tay was appointed as our Non-Executive Director in September 2007. With 16 years' experience in venture capital and private equity investment, Mr Tay is the President of Fortune Venture Investment Group for South East Asia, with responsibility to cover cross-border investments in China, Taiwan and South East Asia. He was previously the Vice President of Walden International Investment Group, specialising in high-tech VC investment and traditional business private equity investment in Asia and the United States.

Mr Tay holds an MBA in Banking & Finance from Nanyang Technological University, an MSc in Computer Science from the University of Wisconsin (Madison), and a Bachelor of Engineering (First Class Honors) in Mechanical Engineering from the National University of Singapore.

**Lai Chun Loong**
Independent Director

Mr Lai was appointed as our Independent Director in September 2005. Currently a Corporate Advisor to Temasek Holdings (Pte) Ltd, and Senior Advisor to Hexagon Development Advisors Pte Ltd, he is also the Executive Director of Prominent Consulting Pte Ltd, which has a representative office in Ho Chi Minh City, Vietnam. Mr Lai was the founding and Executive Chairman of Vietnam Singapore Industrial Park Pte Ltd, and Advisor to Vietnam Investment to Singapore Technologies Pte Ltd. For his contributions to Vietnam, Mr Lai was awarded the Friendship Medal by the President of Vietnam in 2006.

He started his career at the Chartered Industries of Singapore ("CIS") in 1968 and rose to the position of Managing Director. Mr Lai was later appointed as President of CIS and moved to head Sembawang Industrial Pte Ltd as its Deputy Chairman and President in 1993.

Mr Lai graduated with a Bachelor in Engineering (Mechanical) from the University of Auckland, New Zealand, under a Colombo Plan Scholarship in 1967. He holds an MBA degree from the University of California, Los Angeles in 1980, and completed the Harvard Advanced Management Program in Fall 1987.

Mr Lai was awarded a Public Service Medal (PBM) in 1992.

# BOARD OF DIRECTORS

**Charles George St. John Reed**
Independent Director

Mr Reed was appointed as our Independent Director in June 2003. Currently the CEO of DoCoMo interTouch Pte Ltd, an NTT DoCoMo Group company, Mr Reed began his career as a Senior Associate at Coopers & Lybrand / Deloitte, and subsequently joined PT Excelcomindo Pratama as General Manager where he was responsible for financial restructuring, corporate governance, capital projects and re-engineering process improvement projects. He left to join British Telecom (Hong Kong) as Director of Programme Management and was responsible for the business development and infrastructure for British Telecom Cellnet's Global Mobile Internet offering, Genie.

Mr Reed also held senior management positions at Telecom Venture Group, Personal Broadband Australia Pty Limited, Capena Ltd (BVI) and was an audit committee member of Mobile Telecom Network (Holdings) Limited, which is listed on the Hong Kong Stock Exchange's Growth Enterprise Market.

Mr Reed obtained a Bachelor of Science degree in Engineering Mathematics from Bristol University, United Kingdom.

**Loudon Frank McLean Owen**
Non-Executive Director

Mr Owen was appointed as our Non-Executive Director in October 2004. Currently the Managing Partner of McLean Watson Capital, Mr Owen also sits on the Board of Hosted Data Transactions Solutions Inc (TSX), a company listed in Toronto. He began his career as a lawyer in Campbell Godfrey & Lewtas, and thereafter, moved on to the position of Managing Partner of law firm, Burgess Macdonald Martin Younger.

In 1993, Mr Owen took on the role of Chief Operating Officer of Softimage Inc, a Nasdaq-listed software corporation, and later co-founded McLean Watson Capital in 1994.

Mr Owen graduated with a Bachelor of Arts degree from University of Toronto, and obtained his Bachelor of Laws degree from Osgoode Hall Law School of York University, Canada. He also has a Master of Business Administration from INSEAD (France).

**Zacchaeus Boon Suan Zin**
Alternate to Loudon Frank McLean Owen

Currently a Partner of Canada-based McLean Watson Capital, Mr Boon is responsible for its investment portfolio in the Asia Pacific region. He has more than 15 years' experience in the software industry along with extensive investment credentials. Mr Boon started his career as a Network Engineer working on military projects before joining Lotus Development as a Software Engineer. Mr Boon subsequently became Lotus' Country Managing Director for Singapore, Brunei and Indochina. His last role at IBM/Lotus was Director (Alliances/Small Medium Business), with Asia-Pacific coverage.

Prior to joining McLean Watson Capital, Mr Boon was an Investment Director with Venture TDF. He is also an active angel investor who seed-funded several successful start-ups including AceFusion - acquired by Savi, which was subsequently acquired by Lockheed Martin (NYSE:LMT), and HardwareZone - acquired by Singapore Press Holdings (SGX:SPH).

Mr Boon obtained a Bachelor of Computer Science from the University of Newcastle in Australia.

**Lee Keen Whye**
Independent Director

Mr Lee was appointed as our Independent Director in August 2008. He is the Managing Director of Strategic Alliance Capital Pte Ltd ("SAC"), a venture capital and investment management advisory company. Prior to founding SAC, Mr Lee was the founder and Managing Director of Rothschild Ventures Asia Pte Ltd and a member of the N M Rothschild & Sons global merchant banking group. He was an Associate Director with Kay Hian James Capel Pte Ltd, which he joined in 1987 as Head of Research for Singapore and Malaysia.

Between 1985 to 1987, Mr Lee was based in California and worked with venture capital companies seeking investments in emerging growth companies. Prior to that, he was an Investment Manager with the Government of Singapore Investment Corporation.

Mr Lee currently sits on the Boards of several SGX-ST companies, including Afor Limited, Santak Holdings Ltd, Oniontech Limited and Ultro Technologies Limited.

Mr Lee holds a Master's degree in Business Administration from Harvard Business School and a Bachelor's degree in Business Administration from the University of Singapore.

# KEY MANAGEMENT

**Kenneth Sw Chan Kit** Financial Controller

As the Financial Controller, Kenneth Sw is responsible for our Group's financial activities. A pioneer staff who joined Ntegrator since our inception in 2002, he has developed, built and implemented the region-wide financial framework, support, processes and procedures necessary to support the Group's operations.

Kenneth started his career with Matsushita Electronics (S) Pte Ltd and has, in the course of over 25 years in the financial field, moved up to positions of higher responsibility, both at HQ and region-wide levels. He has held positions as Finance Managers and CFOs in various organisations, including Sembawang Engineering Pte Ltd, Teledata (Singapore) Ltd, e-Cop Pte Ltd and Intrawave Pte Ltd.

Kenneth is a Fellow of the Association of Chartered Certified Accountants, a non-practising member of the Institute of Certified Public Accountants of Singapore and a member of CPA Australia.

**Jason Leong Wee Siong** General Manager, Network Infrastructure (Regional)

Jason Leong is another pioneer staff who joined Ntregrator since our inception in 2002 and currently oversees the sales and marketing activities for our Group's network infrastructure products and services in the region.

Jason's career started at Singapore Telecommunications Limited in 1995, where he handled International Transmission Maintenance & Operations and was responsible for European and USA carriers. He later joined Plexus Technology Pte Ltd as Sales Manager, overseeing various government sectors as well as overseas accounts.

He holds a Bachelor's degree in Electronics & Electrical Engineering (First Class Honours) from Loughborough University of Technology.

**Vincent Vinu Edward** General Manager, Network Infrastructure (Singapore)

Another pioneer staff, Vincent Edward also joined Ntegrator since we started in 2002 and he currently oversees the sales and marketing activities of our Group's network infrastructure products and services in Singapore. Previously a Project Engineer with Sembawang Corporation Limited, Vincent joined Teledata (Singapore) Ltd in the same capacity. He was seconded to Plexus Technology Pte Ltd in 1999 as its Group Manager.

Vincent graduated from Aberdeen University with a Bachelor's degree in Engineering (Honours).

**Diana Lee Meng Wah** Director, Human Resource

Diana Lee joined our Group since its inception in 2002, and oversees all human resource and administration matters.

She has developed our Group's human resource policies and practices for Singapore as well as our regional operations and has responsibility for all human resource policies, procedures, regulatory filings and compliances.

Prior to joining us, Diana held positions in both Administrative and Personnel departments of several public, private and government organisations, including Teledata (Singapore) Ltd, the Singapore General Hospital and SMRT Corporation Ltd.

Diana holds a Diploma in Human Resource Management.

Kenneth Sw Chan Kit
Financial Controller

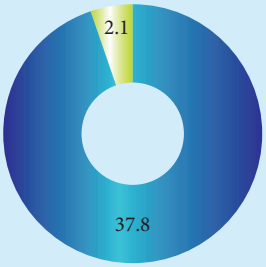
Jason Leong Wee Siong
General Manager,
Network Infrastructure
(Regional)

Vincent Vinu Edward
General Manager,
Network Infrastructure
(Singapore)

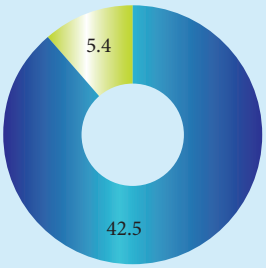
Diana Lee Meng Wah
Director,
Human Resource

# FINANCIAL HIGHLIGHTS

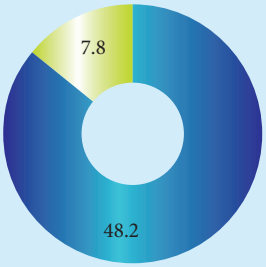
## REVENUE BREAKDOWN BY ACTIVITIES (S$ million)




**2007**




**2008**

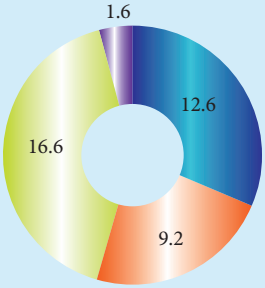



**2009**

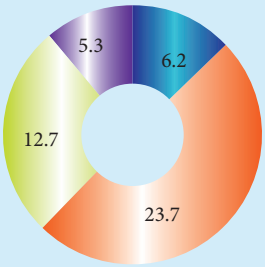
Project Sales

Project Management & Maintenance Services

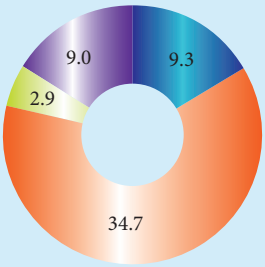
## REVENUE BREAKDOWN BY GEOGRAPHICAL MARKETS (S$ million)




**2007**




**2008**




**2009**

Singapore

Vietnam

Myanmar

Others

# CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining a high standard of corporate governance and in ensuring that effective self regulatory corporate practices are in place to protect the interests of its shareholders and maximize long-term shareholder value. These include an experienced and visionary Board of Directors supported by Board Committees and an effective and sound system of internal controls and risk management programme.

As required by Section B: Rules of Catalist of the Listing Manual of the SGX-ST (the "Catalist Rules"), this statement outlines the Company's corporate governance processes with specific reference to the Code of Corporate Governance 2005 ("the Code"). Other than deviations that are explained in this statement, the Company has complied with the principles of the Code.

**Board of Directors**

**Principle 1: Board's Conduct of its Affairs**

The principal functions of the Board are:

a. approving the Group's key business strategies and financial objectives;
b. approving the annual budget, major investments and divestments, and funding proposals;
c. overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
d. approving half year and full year accounts and announcements; and
e. assuming responsibility for corporate governance.

The Board has adopted internal guidelines that require Board approval, including appointment of directors, major funding and investment proposals as well as material capital expenditures. Management, together with Board Committees including the Audit Committee, the Nominating Committee and the Remuneration Committee support the Board in discharging its responsibilities. The roles and responsibilities of the Board Committees are set out separately in this report.

The Board conducts regular scheduled meetings during the year. Ad-hoc meetings are conducted to address significant issues or approve major transactions. The Company's Articles of Association allows Board Meetings to be conducted by way of telephone conferencing or any other electronic means of communications.

The attendance of the directors at meetings of the Board and Board Committees, as well as the frequency of such meetings in FY2009 are summarised in the table below:

| Name | Board | | Audit Committee | | Nominating Committee | | Remuneration Committee | |
|---|---|---|---|---|---|---|---|---|
| | No. of meetings held | No. of meetings attended | No. of meetings held | No. of meetings attended | No. of meetings held | No. of meetings attended | No. of meetings held | No. of meetings attended |
| | | | | | | | | |
| Bernard Chen Tien Lap | 3 | 3 | | | 1 | 1 | 1 | 1 |
| Han Meng Siew | 3 | 3 | | | | | | |
| Chang Joo Whut | 3 | 3 | | | | | | |
| Tay Koon Chuan | 3 | 3 | | | 1 | 1 | | |
| Loudon Frank McLean Owen (Alt: Zacchaeus Boon Suan Zin) | 3 | 3 | 2 | 2 | | | | |
| Lai Chun Loong | 3 | 3 | 2 | 2 | | | 1 | 1 |
| Charles George St. John Reed | 3 | 3 | 2 | 2 | 1 | 1 | 1 | 1 |
| Lee Keen Whye * | 3 | 3 | 2 | 1 | | | | |

** Appointed to the Audit Committee on 23 February 2009*

**Board of Directors (Continued)**

**Principle 1: Board's Conduct of its Affairs (Continued)**

The Board of Directors is familiar with the Group's business and governance practices and has been briefed on their responsibilities as director of a listed company. To keep abreast with developments in corporate, financial, legal and other compliance requirements, directors are encouraged to attend relevant training courses funded by the Company.

New directors appointed to the Board would be briefed on the Group's business activities and its strategic directions as well as statutory and other responsibilities as a director. Formal letters are issued upon appointment, to further explain their duties and obligations.

**Principle 2: Board Composition and Balance**

The Board comprises eight directors, half of whom are independent. The Board consists of directors, who as a group, provide core competencies, such as business or management experience, industry knowledge, finance, strategic planning experience, customer-based experience and knowledge that are necessary and critical to meet the Group's objectives. Details of the directors' academic and professional qualifications and other appointments are set out on pages 8 to 10 of the Annual Report.

The Nominating Committee ("NC") has reviewed the independence of each director for the financial year ended 31 December 2009 in accordance with the Code's definition of independence and is satisfied that more than one-third of the Board continues to be independent.

The composition of the Board is as follows:-

**Executive Director**

Han Meng Siew (Deputy Chairman)
Jimmy Chang Joo Whut (Managing Director)

**Non-Executive Director**

Bernard Chen Tien Lap (Chairman) *
Charles George St. John Reed *
Lai Chun Loong *
Lee Keen Whye *
Tay Koon Chuan
Loudon Frank McLean Owen
Zacchaeus Boon Suan Zin (Alternate to Loudon Frank McLean Owen)

** Independent Director*

**Principle 3: Role of Chairman and Managing Director**

The functions of Chairman, Deputy Chairman and the Managing Director are assumed by three individuals. The Chairman, Mr. Bernard Chen, is an Independent Director, while the Deputy Chairman, Mr. Han Meng Siew and the Managing Director, Mr. Jimmy Chang are Executive Directors.

There is distinct division of responsibilities between the Chairman, Deputy Chairman and the Managing Director, who are not related to one another. The Deputy Chairman and the Managing Director are the most senior executives in the Company and assume executive responsibilities for the Company's business while the Chairman assumes responsibility for the management of the Board. As the Chairman, Deputy Chairman and the Managing Director perform separate functions, authority and accountability are not compromised.

**Board of Directors (Continued)**

**Principle 4: Nominating Committee**

The NC comprises two independent and one non-executive director, namely –

Bernard Chen Tien Lap (Chairman) *
Charles George St. John Reed *
Tay Koon Chuan

** Independent Director*

The key objectives of the NC are to ensure that there is a formal and transparent process in the nomination, appointment and re-appointment of directors to the Board and in the assessment of the effectiveness and contribution of the Board and its members to the welfare, strategic growth and development of the Company.

As a sub-committee of the Board, the NC –

- recommends the nomination of directors retiring by rotation annually;
- determines the independence of Board members and assesses the adequacy of Board members with multiple board representations;
- establishes the process for the selection and appointment of new directors;
- reviews Board structure, size and composition;
- recommends to the Board the continuation in service of any directors who has reached the age of 70; and
- assesses the effectiveness of the Board and the contributions of Board members.

All directors subject themselves to re-nomination and re-election at least once every three (3) years. Pursuant to the Article 99 (2) of the Company's Articles of Association, Mr. Bernard Chen Tien Lap, Mr. Han Meng Siew and Mr. Tay Koon Chuan will retire by rotation at the forthcoming AGM.

The NC has recommended the nominations of the directors retiring by rotation for re-election at the forthcoming AGM. In considering the nominations, the NC took into account the contribution of the directors with reference to their attendance and participation at Board and other Board committee meetings as well as the proficiency with which they have discharged their responsibilities.

**Principle 5: Board Performance**

The Board has undertaken a formal evaluation of its own performance.

The performance evaluation of the operation and effectiveness of the Board as a whole, was conducted using a questionnaire. Amongst the areas reviewed were the

- board composition;
- information to the Board;
- Board procedures;
- Board accountability;
- CEO/top management; and
- standards of conduct.

Separate assessment of the roles and responsibilities of Board Committees were carried by the Audit Committee ("AC"), Remuneration Committee ("RC") and NC.

**Remuneration Committee (RC)**

**Principle 6: Access to Information**

To ensure that the Board is able to fulfill its responsibilities, reports on the Company's performance and business activities are provided to every Board member. The Board also receives regular updates of on-going projects and other business matters.

All directors have direct access to senior management and to the Company Secretary. The Company Secretary attends board meetings, and board committee meetings, where required. The Company Secretary ensures that board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary are subject to the Board's approval.

The directors, whether individually or collectively, may in furtherance of their duties, seek and obtain independent professional advice as and when the need arises, at the expense of the Company.

**Principle 7: Procedures for Developing Remuneration Policies**
**Principle 8: Level and Mix of Remuneration**
**Principle 9: Disclosure on Remuneration**

The RC comprises three members, all of whom are independent Directors. The composition of the RC is as follows:-

Bernard Chen Tien Lap (Chairman) *
Charles George St. John Reed *
Lai Chun Loong *

** Independent Director*

The role of the RC is to review and recommend to the Board a framework of remuneration for the Board of Directors and key executives of the Group. It determines specific remuneration packages and reviews the terms of service for each Executive Director and key Executive Officers of the Company. It also approves guidelines on salary, bonus, and other terms and conditions for senior management, as well as the granting of share options and performance share plan in accordance with the rules of the Company's Share Option Scheme and Ntegrator Performance Share Plan.

In setting remuneration packages for Executive Directors and key executives of the Group, the pay and employment conditions within the industry and in comparable companies are taken into account to maintain an appropriate and competitive level of remuneration that will attract, retain and motivate key executives. The RC may seek external professional advice on compensation and other employment-related matters, as and when required.

Executive Directors are on service contracts which are subject to annual review. The RC is of the view that the Executive Directors' service contracts are not excessively long or with onerous removal clauses.

The Deputy Chairman and the Managing Director who are on service contracts do not receive directors' fees. Their remuneration packages comprise of salaries, annual wage supplement, options and a share of profits based on the Group's performance. The performance-related award is to align their interests with those of the shareholders and link rewards to corporate and individual performance.

Independent and Non-Executive Directors receive directors' fees, which take into account their level of contribution and responsibilities. These fees are subject to shareholders' approval at the Annual General Meeting.

No director is involved in determining his own remuneration.

**Remuneration Committee (RC) (Continued)**

The following tables show a breakdown (in percentage terms) of directors' remuneration and that of the Group's top 4 (four) executives who are not directors, for the financial year ended 31 December 2009, falling within broad bands –

**(A) Directors' Remuneration**

| Name | Fees % | Salary[1] % | Other Benefits [2] % | Total % |
|---|---|---|---|---|
| **Between $250,000 to $500,000** | | | | |
| Han Meng Siew | - | 93 | 7 | 100 |
| Jimmy Chang Joo Whut | - | 92 | 8 | 100 |
| **Below $250,000** | | | | |
| Bernard Chen Tien Lap | 100 | - | - | 100 |
| Charles George St. John Reed | 100 | - | - | 100 |
| Tay Koon Chuan | 100 | - | - | 100 |
| Loudon Frank McLean Owen | 100 | - | - | 100 |
| Lai Chun Loong | 100 | - | - | 100 |
| Lee Keen Whye | 100 | - | - | 100 |

**(B) Remuneration of top 4 (four) executives who are not directors**

| Name | Fees % | Salary[1] % | Other Benefits [2] % | Total % |
|---|---|---|---|---|
| **Between $250,000 to $500,000** | | | | |
| Kenneth Sw Chan Kit | - | 89 | 11 | 100 |
| **Below $250,000** | | | | |
| Vincent Vinu Edward | - | 95 | 5 | 100 |
| Jason Leong Wee Siong | - | 95 | 5 | 100 |
| Diana Lee Meng Wah | - | 100 | - | 100 |

*Note:*
*(1) Includes AWS, allowance and CPF*
*(2) Transport, medical and insurance.*
*(3) The remuneration bands above do not include the value of share options granted under the Company's Share Option Scheme.*

Details of Directors' interests in Shares and the Company's Share Option Scheme are set out on page 22 to 24.

**Remuneration Committee (RC) (Continued)**

**(C) Remuneration of immediate family members of directors**

There were no employees who were immediate family members of any director or the MD for the financial year ended 31 December 2009.

**Principle 10: Accountability**

The Board is accountable to the shareholders while Management is accountable to the Board. Management presents half-year and full-year financial statements to the Audit Committee and the Board for review and approval. The Board approves the results and authorizes the release of results to SGX-ST and the public via SGXNET.

**Principle 11: Audit Committee**

The Audit Committee ("AC") comprises 4 directors, a majority of whom are independent Directors. The composition of the AC is as follows:-

Charles George St. John Reed (Chairman) *
Lai Chun Loong *
Lee Keen Whye (Appointed on 23 February 2009) *
Loudon Frank McLean Owen
Zacchaeus Boon Suan Zin (Alternate to Loudon Frank McLean Owen)

** Independent Director*

All AC members possess extensive business and financial management experience at both senior management and board levels.

The AC reviews the scope of work, as set out in section 201B(5) of the Companies Act, Cap 50, of both internal and external auditors and the assistance given by the Company's officers to the external auditors. It met with the Company's internal and external auditors to review their audit plans and discuss the results of their respective examinations and their evaluation of the Group's operations and system of internal accounting controls. The AC also reviews transactions with interested persons and related parties. It recommends the appointment or re-appointment of external auditors, reviews audit fees and non-audit services performed by the external auditors.

The AC has full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings.

The AC performed independent reviews of the financial statements of the Company and the Group. The AC also undertook a review of the nature and extent of all non-audit services performed by the external auditors to establish whether their independence had in any way been compromised. The external auditor had not provided any non-audit services in FY 2009.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by management and full discretion to invite any personnel to attend its meetings.

A Whistle-Blowing Policy which serves to encourage and to provide a channel for staff of the Group to report and to raise in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or other matters was also adopted. This Policy is to ensures that there are arrangements in place, for the independent investigation of such matters and concerns raised on financial or other improprieties, and for appropriate follow-up action.

**Remuneration Committee (RC) (Continued)**

The objectives of the the Whistle-Blowing policy are:

- To communicate the Company's expectation of employees of the Group in detecting fraudulent activities or malpractices;
- To guide employees on the course of action when addressing their concerns or suspicions of fraudulent activities or malpractices;
- To provide a process for investigations and management reporting; and
- To establish the policies for protecting whistle-blowers against reprisal by any person internal or external of the Group.

**Principal 12: Internal Control**
**Principal 13: Internal Audit ("IA")**

The Company's internal auditor conducted a review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management. Material non-compliance or weaknesses in internal controls and recommendations for improvement are reviewed by the AC.

The risk management process and system of internal controls of the Company are designed to manage, rather than eliminate, the risk of failure to achieve the Group's strategic objectives. It should be recognized that such systems can only provide reasonable but not absolute assurance against material misstatement or loss.

The IA is an independent function that reports to the AC. The scope of work covers all business and support functions in the Company and its subsidiaries. The AC reviews and approves the annual IA plans and resources to ensure that the IA unit has the necessary resources to adequately perform its functions. The AC will review the IA activities on a half-yearly basis and the adequacy of the IA function on an annual basis.

**Principles 14 & 15: COMMUNICATION WITH SHAREHOLDERS**

Price-sensitive information relating to the Group is released through SGXNET and is available to the public on the SGX website. The interim and full year financial results and annual reports issued within the prescribed period are also released to the public via the SGXNET. The Company's Annual Report is available at its website www.ntegrator.com

All shareholders of the Group receive the Annual Report and notice of Annual General Meeting. At Annual General Meetings, shareholders will be given opportunity to voice their views and to direct questions regarding the Group to senior management and directors, including the Chairman of each of the Board Committee.

All directors are encouraged to be present at all general meetings of the Company. The external auditors will be present at the forthcoming Annual General Meeting.

**SECURITIES TRANSACTIONS**

The Group has adopted a Code of Best Practices for Dealings in Securities (the "Code of Best Practices") which defines the Group's policy on dealings in securities of the Company and implications of Insider Trading. In line with our Code of Best Practices, directors and key officers of the Group who have access to price-sensitive and confidential information are not permitted to deal in securities of the Company during the periods commencing one month before the announcement of the Group's annual or half-year results and ending on the date of the announcement of such results, or when they are in possession of unpublished price-sensitive information on the Group.

Directors and key officers are required to confirm annually that they have complied with the Code of Best Practices and Catalist Rules with regards to their securities transactions.

## RISK MANAGEMENT POLICIES AND PROCESSES

The Company's risk management policies are summarized as follows:-

**Technological Changes**

We are dependent on principals to improve and innovate products to meet the changing market trends. We will study the market trends and assess customers' changing needs and obtain new technology-based products to meet their demands. We will also keep abreast of the developments in our industry and the technical know-how.

**Political, Regulatory and Economic**

The unexpected changes in the regulatory requirements, political instability and economic uncertainties in the countries in which we have a presence may affect our revenue and margin. We will assess this inherent risk on a regular basis.

**Credit Risk**

We are exposed to credit risk and such risk is managed through assessment of customer credit-worthiness. Special payment arrangements are reviewed on a case-by-case basis and will be secured by export letters of credits.

**Key Personnel**

Our business performance depends on the business strategy developed by the management. The inability to retain qualified personnel may affect our business performance given that we are a service provider. We offer competitive remuneration packages, employee's share option scheme and performance share plan to our staff as well as a challenging working environment.

## MATERIAL CONTRACTS

Other than the Service Agreements with each of our Executive Directors, Messrs Han Meng Siew and Jimmy Chang Joo Whut, there were no material contracts during the financial year which are required to be disclosed under Catalist Rule 1204(8).

## INTERESTED PERSON TRANSACTIONS

No interested party transactions for FY2009.

## SPONSORS

There were no non-sponsor fee paid during the financial year.

# FINANCIAL CONTENTS

# DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited financial statements of the Group and the balance sheet of the Company as at 31 December 2009.

**Directors**

The directors of the Company in office at the date of this report are as follows:

| | |
|---|---|
| Bernard Chen Tien Lap | Chairman |
| Han Meng Siew | Deputy Chairman |
| Jimmy Chang Joo Whut | Managing Director |
| Loudon Frank McLean Owen | |
| Charles George St. John Reed | |
| Lai Chun Loong | |
| Tay Koon Chuan | |
| Lee Keen Whye | |
| Zacchaeus Boon Suan Zin | (alternate director to Loudon Frank McLean Owen) |

In accordance with Article 99 (2) of the Company's Articles of Association, Bernard Chen Tien Lap, Han Meng Siew and Tay Koon Chuan who retire, and being eligible, offer themselves for re-election.

**Arrangements to enable directors to acquire shares or debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Warrants" and "Share options" on pages 23 to 25 of this report.

**Directors' interests in shares or debentures**

(a) According to the register of Directors' Shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

| | Holdings registered in the name of director | | Holdings in which director is deemed to have an interest | |
|---|---|---|---|---|
| | At beginning of financial year | At end of financial year | At beginning of financial year | At end of financial year |
| ***The Company***<br>*No. of ordinary shares* | | | | |
| Bernard Chen Tien Lap | 1,800,000 | 3,300,000 | - | - |
| Han Meng Siew | 10,124,000 | 10,124,000 | 24,000,000 | 24,000,000 |
| Jimmy Chang Joo Whut | 18,124,000 | 18,124,000 | - | - |
| Loudon Frank McLean Owen | 1,800,000 | 2,172,000 | - | - |
| Charles George St. John Reed | 3,200,000 | 3,200,000 | - | - |
| Lai Chun Loong | 1,400,000 | 2,200,000 | - | - |
| Tay Koon Chuan | - | 800,000 | - | - |
| Lee Keen Whye | 4,285,000 | 4,285,000 | - | - |
| Zacchaeus Boon Suan Zin<br>(Alternate to Loudon Frank Mclean Owen) | 1,000,000 | 1,800,000 | 13,353,000 | 13,353,000 |

**Directors' interest in shares or debentures (continued)**

| | Holdings registered in the name of director | | Holdings in which director is deemed to have an interest | |
|---|---|---|---|---|
| | At beginning of financial year | At end of financial year | At beginning of financial year | At end of financial year |
| ***The Company*** *No. of Warrants* | | | | |
| Bernard Chen Tien Lap | - | 990,000 | - | - |
| Han Meng Siew | - | 3,037,200 | - | 7,200,000 |
| Jimmy Chang Joo Whut | - | 5,437,200 | - | - |
| Loudon Frank McLean Owen | - | 651,600 | - | - |
| Charles George St. John Reed | - | 960,000 | - | - |
| Lai Chun Loong | - | 660,000 | - | - |
| Tay Koon Chuan | - | 240,000 | - | - |
| Lee Keen Whye | - | 1,285,500 | - | - |
| Zacchaeus Boon Suan Zin (Alternate to Loudon Frank McLean Owen) | - | 540,000 | - | 4,005,900 |

(b) According to the Register of Directors' Shareholdings, certain directors holding office at the end of the financial year had interests in the options to subscribe for ordinary shares of the Company granted pursuant to the Ntegrator Share Option Scheme (the "Scheme") as set out below and under "Share options" on pages 24 and 25 of this report.

| | Number of option to subscribe | |
|---|---|---|
| | At beginning of financial year | At end of financial year |
| Bernard Chen Tien Lap | 1,500,000 | - |
| Han Meng Siew | 5,000,000 | 5,000,000 |
| Jimmy Chang Joo Whut | 5,000,000 | 5,000,000 |
| Loudon Frank McLean Owen | 800,000 | - |
| Charles George St. John Reed | 1,000,000 | 1,000,000 |
| Lai Chun Loong | 800,000 | - |
| Tay Koon Chuan | 800,000 | - |
| Lee Keen Whye | 800,000 | 800,000 |
| Zacchaeus Boon Suan Sing (Alternate to Loudon Frank McLean Owen) | 800,000 | - |

(c) The directors' interest in the ordinary shares and convertible securities of the Company as at 21 January 2010 were the same as those as at 31 December 2009.

**Directors' contractual benefits**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

**Share options**

The Company implemented the Ntegrator Share Option Scheme (the "Scheme") in 2005 for granting of options to full-time employees and directors of the Company and its subsidiaries. The total number of ordinary shares over which the Company may grant under the Scheme shall not exceed 15% of the issued share capital of the Company on the day preceding the date of grant.

The Scheme is administered by the Remuneration Committee ("RC") which comprises three directors, namely Bernard Chen Tien Lap, Lai Chun Loong and Charles George St. John Reed.

The exercise price for each ordinary share in respect of which an option is exercisable shall be determined by the Committee as follows:

(i) at a price equal to the prevailing market price of the ordinary shares of the Company based on the last dealt price per share as indicated in the daily official list or any publication published by the SGX for the five consecutive trading days immediately preceding the date of grant of that option (the "Market Price"); or

(ii) at a price which is set at a discount to the Market Price provided that the maximum discount shall not exceed 20% of the Market Price.

Options granted with the exercise price set at Market Price shall only be exercisable after 12 months of the date of grant of that option. Options granted with exercise price set a discount to Market Price shall only be exercisable after 24 months from the date of grant of that option. All options granted shall be exercised before the end of 120 months (or 60 months where the participant is a non-executive director) of the date of grant of that option and subject to such other conditions as may be introduced by the Committee from time to time.

Details of the options to subscribe for ordinary shares of the Company granted to directors, executive officers and employees of the Group pursuant to the Scheme described above are as follows:

| Date of grant | Balance at 1.1.2009 | Granted during the year | Exercised during the year | Cancelled during the year | Balance at 31.12.2009 | Exercise price | Exercisable period |
|---|---|---|---|---|---|---|---|
| 11.09.2006 | 901,000 | - | - | 85,000 | 816,000 | S$0.13 | 11.09.2007 to 10.09.2017 |
| 25.08.2008 | 27,564,000 | - | 8,314,000 | 828,000 | 18,422,000 | S$0.04 | 25.08.2009 to 25.08.2019 |
| 25.08.2008 | 6,500,000 | - | 4,700,000 | - | 1,800,000 | S$0.04 | 25.08.2009 to 25.08.2014 |
| | 34,965,000 | - | 13,014,000 | 913,000 | 21,038,000 | | |

**Share options (continued)**

Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the Scheme were as follows:

| Name of director | Options granted during the financial year | Aggregate options granted since commencement of the Scheme to end of the financial year | Aggregate options exercised since commencement of the Scheme to end of the financial year | Aggregate options outstanding as at end of the financial year |
|---|---|---|---|---|
| Bernard Chen Tien Lap [2] | - | 1,750,000 | 1,750,000 | - |
| Han Meng Siew [1] | - | 6,000,000 | 1,000,000 | 5,000,000 |
| Jimmy Chang Joo Whut [1] | - | 6,000,000 | 1,000,000 | 5,000,000 |
| Loudon Frank McLean Owen [2] | - | 1,050,000 | 1,050,000 | - |
| Charles George St. John Reed [2] | - | 1,250,000 | 250,000 | 1,000,000 |
| Lai Chun Loong [2] | - | 1,050,000 | 1,050,000 | - |
| Tay Koon Chuan [2] | - | 800,000 | 800,000 | - |
| Lee Keen Whye [2] | - | 800,000 | - | 800,000 |
| Zacchaeus Boon Suan Zin [2] (Alternate to Loudon Frank McLean Owen) | - | 1,050,000 | 1,050,000 | - |
| | - | 19,750,000 | 7,950,000 | 11,800,000 |
| Name of executive officer | | | | |
| Kenneth Sw Chan Kit [1] | - | 6,000,000 | 3,500,000 | 2,500,000 |
| Total | - | 25,750,000 | 11,450,000 | 14,300,000 |

[1] The options granted to these directors and an executive officer are exercisable from 25 August 2009 to 25 August 2019 at the exercise price of S$0.04 if the vesting conditions are met.

[2] The options granted to these directors are exercisable from 25 August 2009 to 25 August 2014 at the exercise price of S$0.04 if the vesting conditions are met.

Since the commencement of the Scheme till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates other than Loudon Frank McLean Owen, Tay Koon Chuan and Zacchaeus Boon Suan Zin as mentioned above;
- No participant other than Han Meng Siew, Jimmy Chang Joo Whut and Kenneth Sw Chan Kit as mentioned above has received 5% or more of the total options available under the plans;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

**Audit committee**

The Audit Committee ("AC") comprises four board members, all of whom are non-executive directors. The members of the AC at the end of the financial year and at the date of the report were as follows:

| | |
|---|---|
| Charles George St. John Reed | Chairman, Independent |
| Lai Chun Loong | Independent |
| Lee Keen Whye # | Independent |
| Loudon Frank McLean Owen | |
| Zacchaeus Boon Suan Zin | (Alternate to Loudon Frank McLean Owen) |

# Appointed on 23 February 2009.

The AC carries out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Cap. 50, including the following:

- Reviews the audit plans of the internal and independent auditors of the Company and ensures the adequacy of the Company's system of accounting controls and the co-operation given by the Company's management to the independent and internal auditors;
- Reviews the annual financial statements and the independent auditor's report on the annual financial statements of the Company before their submission to the board of directors;
- Reviews effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Meets with the independent auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the cost effectiveness and the independence and objectivity of the independent auditor;
- Reviews the nature and extent of non-audit services provided by the independent auditor;
- Recommends to the board of directors the independent auditor to be nominated, approves the compensation of the independent auditor, and reviews the scope and results of the audit;
- Reports actions and minutes of the AC to the board of directors with such recommendations as the AC considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Further details regarding the audit committee are disclosed in the Report on Corporate Governance.

**Independent Auditor**

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Han Meng Siew
Director

Jimmy Chang Joo Whut
Director

Singapore

19 March 2010

# STATEMENT BY DIRECTORS

In the opinion of the directors:-

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 31 to 65 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Han Meng Siew
Director

Jimmy Chang Joo Whut
Director

Singapore

19 March 2010

# INDEPENDENT AUDITOR'S REPORT
# TO THE MEMBERS OF NTEGRATOR INTERNATIONAL LTD.

We have audited the accompanying financial statements of Ntegrator International Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Company and of the Group as at 31 December 2009, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act (Cap. 50) (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting control sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT
# TO THE MEMBERS OF NTEGRATOR INTERNATIONAL LTD.

**Opinion**

In our opinion,

(a) the balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009, the results, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditor, have been properly kept in accordance with the provisions of the Act.

**Nexia TS Public Accounting Corporation**
**Public Accountants and Certified Public Accountants**
**Director in-charge: Chin Chee Choon**
**(Appointed since financial year ended 31 December 2009)**

Singapore

19 March 2010

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

| | Note | 2009<br>S$'000 | 2008<br>S$'000 |
|---|---|---|---|
| Revenue | 4 | 55,925 | 47,936 |
| Other income | 5 | 931 | 309 |
| Expenses | | | |
| - Equipment and consumables used | | (45,051) | (35,661) |
| - Employee compensation | 6 | (4,308) | (4,583) |
| - Freight | | (611) | (808) |
| - Commission and consultancy | | (1,394) | (3,816) |
| - Depreciation | 16 | (126) | (208) |
| - Amortisation of intangible assets | 17 | (255) | (163) |
| - Foreign exchange loss, net | | (411) | (12) |
| - Finance | 7 | (393) | (491) |
| - Other | | (1,758) | (841) |
| - Changes in inventories and contract work-in-progress | | (1,573) | (998) |
| Total expenses | | (55,880) | (47,581) |
| Profit before income tax | | 976 | 664 |
| Income tax expense | 8 | (46) | (29) |
| **Net profit** | | 930 | 635 |
| **Other comprehensive income** | | | |
| Currency translation differences | | 11 | (7) |
| **Total comprehensive income** | | 941 | 628 |
| **Net profit attributable to:** | | | |
| Equity holders of the Company | | 945 | 773 |
| Minority interests | | (15) | (138) |
| | | 930 | 635 |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the Company | | 956 | 766 |
| Minority interests | | (15) | (138) |
| | | 941 | 628 |
| **Earning per share attributable to equity holders of the Company (cents per share)** | | | |
| - Basic | 9 | 0.27 | 0.23 |
| - Diluted | 9 | 0.27 | 0.23 |

*The accompanying notes form an integral part of these financial statements*

# BALANCE SHEETS

AS AT 31 DECEMBER 2009

| | Note | Group 2009 S$'000 | Group 2008 S$'000 | Company 2009 S$'000 | Company 2008 S$'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 10 | 2,784 | 2,691 | 539 | 13 |
| Trade and other receivables | 11 | 50,862 | 32,707 | 3,863 | 4,066 |
| Inventories | 12 | 2,312 | 2,689 | - | - |
| Contract work-in-progress | 13 | 3,918 | 5,629 | - | - |
| Other current assets | 14 | 4,216 | 4,272 | 51 | 41 |
| | | 64,092 | 47,988 | 4,453 | 4,120 |
| **Non-current assets** | | | | | |
| Trade and other receivables | 11 | 13,095 | 17,794 | - | - |
| Investments in subsidiaries | 15 | - | - | 12,000 | 12,000 |
| Property, plant and equipment | 16 | 277 | 178 | - | - |
| Intangible assets | 17 | 1,601 | 1,491 | - | - |
| | | 14,973 | 19,463 | 12,000 | 12,000 |
| **Total assets** | | 79,065 | 67,451 | 16,453 | 16,120 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Contract work-in-progress | 13 | 81 | 596 | - | - |
| Trade and other payables | 18 | 50,024 | 42,854 | 413 | 433 |
| Borrowings | 19 | 3,294 | 2,480 | - | - |
| Current income tax liabilities | | 34 | 276 | - | 8 |
| | | 53,433 | 46,206 | 413 | 441 |
| **Non-current liabilities** | | | | | |
| Borrowings | 19 | 2,593 | 14 | - | - |
| Deferred income tax liabilities | 21 | 59 | 59 | - | - |
| | | 2,652 | 73 | - | - |
| **Total liabilities** | | 56,085 | 46,279 | 413 | 441 |
| **NET ASSETS** | | 22,980 | 21,172 | 16,040 | 15,679 |
| **EQUITY** | | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | | |
| Share capital | 22 | 14,449 | 13,708 | 14,449 | 13,708 |
| Employee share option reserve | | 360 | 234 | 360 | 234 |
| Foreign currency translation reserve | | (9) | (20) | - | - |
| Retained earnings | | 8,193 | 7,248 | 1,231 | 1,737 |
| | | 22,993 | 21,170 | 16,040 | 15,679 |
| **Minority interests** | | (13) | 2 | - | - |
| **Total equity** | | 22,980 | 21,172 | 16,040 | 15,679 |

*The accompanying notes form an integral part of these financial statements*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

| | | Attributable to equity holders of the Company | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Note | Share capital S$'000 | Employee share option reserver S$'000 | Foreign currency translation eserve S$'000 | Retained earnings S$'000 | Total reserves S$'000 | Minority interests S$'000 | Total equity S$'000 |
| **2009** | | | | | | | | |
| Balance as at 1 January 2009 | | 13,708 | 234 | (20) | 7,248 | 21,170 | 2 | 21,172 |
| Shares issued pursuant to share options exercised | 22 | 520 | - | - | - | 520 | - | 520 |
| Exercise and cancellation of share options | 22 | 221 | (221) | - | - | - | - | - |
| Share option expense | | - | 347 | - | - | 347 | - | 347 |
| Total comprehensive income for the financial year | | - | - | 11 | 945 | 956 | (15) | 941 |
| Balance as at 31 December 2009 | | 14,449 | 360 | (9) | 8,193 | 22,993 | (13) | 22,980 |
| **2008** | | | | | | | | |
| Balance as at 1 January 2008 | | 13,708 | 23 | (13) | 7,330 | 21,048 | 164 | 21,212 |
| Dividend paid | 25 | - | - | - | (855) | (855) | - | (855) |
| Share option expense | 22 | - | 211 | - | - | 211 | - | 211 |
| Adjustment to minority interest | | - | - | - | - | - | (24) | (24) |
| Total recognised income/(loss) | | - | - | (7) | 773 | 766 | (138) | 628 |
| Balance as at 31 December 2008 | | 13,708 | 234 | (20) | 7,248 | 21,170 | 2 | 21,172 |

*The accompanying notes form an integral part of these financial statements*

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

| | Note | 2009<br>S$'000 | 2008<br>S$'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net profit | | 930 | 635 |
| | | | |
| Adjustments for: | | | |
| - Income tax | | 46 | 29 |
| - Depreciation | | 126 | 208 |
| - Amortisation of intangible assets | | 255 | 163 |
| - Loss on disposals of property, plant and equipment | | 4 | - |
| - Share option expense | | 347 | 211 |
| - Interest expense | | 394 | 491 |
| - Interest income | | (4) | (13) |
| - Currency translation differences | | 10 | (8) |
| - Loss on investment of subsidiary | | - | (25) |
| | | 2,108 | 1,691 |
| | | | |
| Change in working capital | | | |
| - Inventories and contract work-in-progress | | 1,573 | 998 |
| - Trade and other receivables | | (13,390) | (17,366) |
| - Trade and other payables | | 7,160 | 15,856 |
| - Deferred expenditure | | - | 50 |
| Cash (used in) / generated from operations | | (2,549) | 1,229 |
| Interest received | | 4 | 13 |
| Interest paid | | (394) | (491) |
| Income tax paid | | (288) | (385) |
| **Net cash (used in) / provided by operating activities** | | (3,227) | 366 |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment | | (228) | (78) |
| Payments for intangible assets | | (365) | (450) |
| **Net cash used in investing activities** | | (593) | (528) |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from / (repayment of) loan from financial institutions | | 3,321 | (782) |
| Repayment of finance leases | | (5) | (5) |
| Proceeds from issuance of share capital by the Company | | 520 | - |
| Dividend paid | | - | (855) |
| **Net cash provided by / (used in) financing activities** | | 3,836 | (1,642) |
| | | | |
| Net increase / (decrease) in cash and cash equivalents | | 16 | (1,804) |
| Cash and cash equivalents at beginning of the financial year | | 1,160 | 2,964 |
| **Cash and cash equivalents at end of financial year** | 10 | 1,176 | 1,160 |

*The accompanying notes form an integral part of these financial statements*

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements of the Group and the Company for the financial year ended 31 December 2009 were authorised for issue in accordance with a resolution of directors on 19 March 2010.

## 1. Corporate information

Ntegrator International Ltd. (the "Company") is a limited liability company which is incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is at 4 Leng Kee Road, #06-04 SIS Building, Singapore 159088.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 15 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 2. Summary of significant accounting policies

### *2.1 Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**Interpretations and amendments to published standards effective in 2009**

On 1 January 2009, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or revised FRS and INT FRS that are relevant to the Group:

- FRS 1 (revised) *Presentation of financial statements* (effective from 1 January 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. All non-owner changes in equity are shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has chosen to adopt the former alternative. Where comparative information is restated or reclassified, a restated balance sheet is required to be presented as at the beginning comparative period. There is no restatement of the balance sheet as at 1 January 2008 in the current financial year.

- FRS 108 *Operating segments* (effective from 1 January 2009) replaces FRS 14 Segment reporting, and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of FRS 108 does not have an impact to the Group.

***2. Summary of significant accounting policies (continued)***

***2.1 Basis of preparation (continued)***

- Amendment to FRS 107 *Improving disclosures about financial statements* (effective from 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy (see Note 27). The adoption of the amendment results in additional disclosures but does not have an impact on the accounting policies and measurement bases adopted by the Group.

***2.2 Currency translation***

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the statement of comprehensive income.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve.

***2.3 Group accounting***

***Subsidiaries***

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the dates of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition, irrespective of the extent of minority interest.

***2. Summary of significant accounting policies (continued)***

***2.3 Group accounting (continued)***

***Subsidiaries (continued)***

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests are that part of net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the Group. They are measured at the minorities' share of fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the minorities' share of losses in a subsidiary exceeds its interests in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minorities are attributed to the equity holders of the Company, unless the minorities have a binding obligation to, and are able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority interests are attributed to the equity holders of the Company until the minorities' share of losses previously absorbed by the equity holders of the Company are fully recovered.

Please refer to Note 2.6 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

***2.4 Revenue recognition***

Sales comprises the fair value of the consideration received or receivable for the project sales and rendering of services in the ordinary course of the Group's activities. Sales is presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria for each of the Group's activities are met as follows:

(a) Project sales

(i) Revenue is recognised upon the transfer of risk and rewards of ownership of the goods to the customers, which generally coincide with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible of return of goods.

(ii) System integration services substantially involve the procurement, design, integration and installation of voice, video and data communication equipment and networks. Revenue is recognised upon successful installation and acceptance of the project by the customer. For a project which is to be completed in stages, revenue is recognised upon successful installation of each stage and acceptance of the project by the customer. An expected loss on the project is recognised as an expense immediately when it is probable that total project costs will exceed total project revenue.

Please refer to Note 2.13 for the accounting policy on contract work-in-progress.

***2. Summary of significant accounting policies (continued)***

***2.4 Revenue recognition (continued)***

(b) Project Management and Maintenance revenue

Project Management revenue is recognised upon rendering of the service to the customer and upon completion of project.

Maintenance revenue is recognised upon rendering of the service to the customer over the duration of maintenance contracts. Maintenance revenue that is billed in advance of the services being rendered is deferred on the balance sheet as deferred revenue.

***2.5 Employee benefits***

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

(c) Employee share options plans

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in the income statement with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the statement of comprehensive income, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account when new ordinary shares are issued, or to the "treasury shares" account when treasury shares are re-issued to the employees.

***2.6 Investments in subsidiaries***

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries the difference between disposal proceeds and the carrying amounts of the investments are recognised in the statement of comprehensive income.

***2. Summary of significant accounting policies (continued)***

***2.7 Borrowings***

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

***2.8 Borrowing costs***

Borrowing costs are recognised in the statement of comprehensive income using the effective interest method.

***2.9 Property, plant and equipment***

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

| | Useful lives |
|---|---|
| Office equipment | 5 years |
| Computers | 3 years |
| Telephones | 5 years |
| Software | 3 years |
| Motor vehicle | 10 years |
| Demo equipment | 2 years |
| Furniture | 5 years |
| Fittings | 2 years |

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the statement of comprehensive income when incurred.

***2. Summary of significant accounting policies (continued)***

***2.9 Property, plant and equipment (continued)***

(d) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

***2.10 Intangible assets***

***Research and development costs***

Research costs are expensed when incurred. An intangible asset arising from development expenditure on an individual project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

Development costs are initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the statement of comprehensive income using the straight-line method over the estimated useful lives of four to five years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

***2.11 Impairment of non-financial assets***

Property, plant and equipment, intangible assets and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of comprehensive income.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

***2. Summary of significant accounting policies (continued)***

***2.12 Inventories***

Inventories consist of voice, video and data communication equipment.

Inventories are carried at the lower of cost and net realisable value. The costs of inventories comprise the purchase price (accounted for on weighted average basis) and other costs directly attributable to bring the inventories to their present location and conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales.

***2.13 Contract work-in-progress***

Contract work-in-progress refers to system integration services that are not completed, delivered and accepted by customers as at the balance sheet date.

Contract work-in-progress is stated at costs less progress billings received or receivable. Costs include cost of equipment and software purchased for the projects, subcontracting costs and other direct expenses attributable to the project activity. When it is probable that expected total project costs will exceed the expected total project revenue, a provision for expected loss on the project is recognised as an expense immediately.

Where project costs incurred to date less any expected losses exceed progress billings, the surplus is presented as "Excess of costs incurred over progress billings" (as a current asset). Where progress billings exceed project costs incurred to date less any expected losses, the surplus is classified as "Excess of progress billings over work-in-progress" (as a current liability).

***2.14 Financial assets***

The Group classifies its financial assets in the category of loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

***Loans and receivables***

Loans and receivables include "cash and cash equivalents" and "trade and other receivables" in the balance sheet.

These financial assets are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Allowance for impairment is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective rate.

***2.15 Cash and cash equivalents***

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents include cash on hand, deposits with financial institutions and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

***2. Summary of significant accounting policies (continued)***

***2.16 Trade and other payables***

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

***2.17 Leases***

The Group leases motor vehicle under finance leases and commercial property under operating leases from non-related parties.

(a) Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(b) Operating leases

Leases of office unit where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the statement of comprehensive income on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the statement of comprehensive income when incurred.

***2.18 Provisions***

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

***2.19 Income taxes***

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

***2. Summary of significant accounting policies (continued)***

***2.19 Income taxes (continued)***

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the statement of comprehensive income.

***2.20 Grants***

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit and loss account over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to the profit and loss account over the expected useful life of the relevant asset by equal annual instalments.

***2.21 Financial guarantees***

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to the statement of comprehensive income over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intragroup transactions are eliminated on consolidation.

***2.22 Segment reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

***2. Summary of significant accounting policies (continued)***

***2.23 Fair value estimation of financial assets and liabilities***

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

***2.24 Share capital***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

***3. Critical accounting estimates, assumptions and judgements***

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group is subject to the uncertainty caused by the world financial crisis. The world economy has experienced significant downward pressure and credit has become very tight. Significant judgment is required to determine the fair value and forecasts of business that may have impact on cashflow, collectibility and realisability of assets. In making these judgments, the Group has relied on past experience and their view of the economy.

(i) Allowance for impairment of trade and bills receivables

Estimates are used for allowances for impairment of trade and bills receivables. Future events and their effects cannot be perceived with certainty. Accordingly, the accounting estimates made require the exercise of judgement and those used in the preparation of the financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as the Group's operating environment changes. Actual results may differ from those estimates.

The Group follows the guidance of FRS 39 on determining when trade and bills receivables are impaired. This determination requires significant judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of the trade and bills receivable are less than its costs; and the financial health of and near-term business outlook for these financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(ii) Contract work-in-progress

Contract work-in-progress refers to system integration services that are not completed, delivered and accepted by customers as at the balance sheet date. Contract work-in-progress is stated at costs less progress billings received or receivable. Costs include cost of equipment and software purchased for the projects, subcontracting costs and other direct expenses attributable to the project activity. When it is probable that expected total project costs will exceed the expected total project revenue, a provision for expected loss on the project is recognised as an expense immediately.

Significant assumptions are required to estimate the total project costs, expected total project revenue as well as the expected loss on the project. In making these estimates, management has relied on past experience.

## 4. Revenue

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Project sales | 48,171 | 42,532 |
| Project management and maintenance services | 7,754 | 5,404 |
| | 55,925 | 47,936 |

## 5. Other income

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Interest income from banks | 5 | 14 |
| Amortisation of bills receivable | 926 | 295 |
| | 931 | 309 |

## 6. Employee compensation

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Salaries and bonuses | 3,037 | 3,161 |
| Employer's contribution to defined contribution plans including Central Provident Fund | 234 | 254 |
| Directors' fees | 287 | 320 |
| Share option expense | 347 | 211 |
| Others | 403 | 637 |
| | 4,308 | 4,583 |

## 7. Finance expenses

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Interest expense on: | | |
| - Bank borrowings | 392 | 489 |
| - Finance lease liabilities | 1 | 2 |
| | 393 | 491 |

## 8. Income taxes

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Tax expense attributable to profit is made up of: | | |
| - Profit from current financial year: | | |
| Current income tax | | |
| - Foreign | 38 | 29 |
| | 38 | 29 |
| Underprovision in prior financial years | 8 | - |
| Tax charge | 46 | 29 |

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax is as explained below:

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Profit before income tax | 976 | 664 |
| Tax calculated at tax rate of 17% (2008: 18%) | 166 | 120 |
| *Adjustments for tax effect of :* | | |
| - Expenses not deductible for tax purposes | 123 | 4 |
| - Difference in tax rates | 10 | (9) |
| - Income not subject to tax | (157) | - |
| - Tax losses of overseas subsidiaries not available for set-off | 27 | 77 |
| - Deferred income tax assets not recognised | 3 | 83 |
| - Research and development allowance | (93) | (259) |
| - Utilisation of previously unutilised tax losses | (42) | - |
| - Other | 1 | 13 |
| Current year tax expense | 38 | 29 |

## 9. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| Net profit attributable to equity holders of the Company (S$'000) | 945 | 773 |
| Weighted average number of ordinary shares outstanding for basic earnings per share for ('000) | 354,496 | 341,482 |
| Basic earnings per share (cents per share) | 0.27 | 0.23 |

## 9. Earnings per share (continued)

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares in respect of share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| Net profit attributable to equity holders of the Company | | |
| – Net profit used to determine diluted earnings per share (S$'000) | 945 | 773 |
| Weighted average number of ordinary shares outstanding for basic earnings per share for ('000) | 344,967 | 341,482 |
| Adjustment for share options | 9,529 | - |
| Adjusted weighted average number of ordinary shares | 354,496 | 341,482 |
| Diluted earnings per share (cents per share) | 0.27 | 0.23 |

## 10. Cash and cash equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | **2009** | **2008** | **2009** | **2008** |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Cash at bank and on hand | 625 | 1,601 | 539 | 13 |
| Short-term bank deposits | 2,159 | 1,090 | - | - |
| | 2,784 | 2,691 | 539 | 13 |

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Cash and cash equivalents (as above) | 2,784 | 2,691 |
| Bank overdrafts (Note 19) | (1,608) | (1,531) |
| | 1,176 | 1,160 |

## 11. Trade and receivables

| | Group | | Company | |
|---|---|---|---|---|
| | **2009** | **2008** | **2009** | **2008** |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Trade receivables | | | | |
| - Non-related parties | 6,711 | 3,676 | 10 | - |
| Bills receivable | 53,090 | 45,854 | - | - |
| Less : Amount classified as non-current assets | 13,095 | 17,794 | - | - |
| | 39,995 | 28,060 | - | - |
| Due from subsidiaries (non-trade) | - | - | 1,920 | 2,152 |
| Loan to a subsidiary | - | - | 1,932 | 1,913 |
| Staff advances | 1 | 18 | - | - |
| Value added tax recoverable | 42 | 27 | - | - |
| Withholding tax receivable | 222 | 218 | - | - |
| Unbilled contract revenue | 3,724 | 465 | - | - |
| Others | 166 | 243 | 1 | 1 |
| | 50,862 | 32,707 | 3,863 | 4,066 |

*Trade receivables*

Trade receivables are non-interest bearing and are generally on 90 – 180 days terms and are recognised at their original invoice amounts which represent their fair values on initial recognition.

*Bills receivables*

Bills receivables relate to irrevocable letters of credit issued in favour of the Group by financial institutions on behalf of the customers for goods and services supplied by the Group.

The bills receivables as at 31 December 2009 and 2008 arose from projects completed for overseas customers who had arranged for a financial institution in its country to issue irrevocable letters of credit in favour of the Group for the settlement of these projects. The total amount is to be settled over one to four years period from the date of completion for each phase.

*Other receivables*

The staff advances are made for the purpose of expenses to be incurred on overseas business travel.

The non-trade amounts due from subsidiaries and loan to a subsidiary are unsecured, interest-free and are repayable on demand.

## 12. Inventories

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Voice, video and data communication equipment | 2,312 | 2,689 |

The cost of inventories recognised as an expense amounts to S$44,800,478 (2008: S$35,451,118).

## 13. Contract work-in-progress

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Cost incurred to date | 3,915 | 6,266 |
| Less : Progress billings | (78) | (1,233) |
| | 3,837 | 5,033 |
| Comprising : | | |
| Excess of costs incurred over progress billings | 3,918 | 5,629 |
| Excess of progress billings over costs incurred | (81) | (596) |
| | 3,837 | 5,033 |

## 14. Other current assets

| | Group | | Company | |
|---|---|---|---|---|
| | **2009** | **2008** | **2009** | **2008** |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Advance payments for project costs | 3,627 | 3,913 | - | - |
| Deposits | 97 | 88 | - | - |
| Prepayments | 492 | 271 | 51 | 41 |
| | 4,216 | 4,272 | 51 | 41 |

## 15. Investments in subsidiaries

| | Company | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Unquoted equity investments at cost | 12,000 | 12,000 |

The details of subsidiaries are as follows:

| **Name** | **Principal activities** | **Country of incorporation** | **Effective equity interest** | |
|---|---|---|---|---|
| | | | **2009** | **2008** |
| | | | % | % |
| ***Held by the Company*** | | | | |
| Ntegrator Pte Ltd[1] | To provide system integration services of voice, video and data communication networks | Singapore | 100 | 100 |
| ***Held by Ntegrator Pte Ltd*** | | | | |
| Ntegrator Sdn Bhd[2] | To provide system integration services and sale of voice, video and data communication equipment and networks, maintenance and support services, and project management services for network infrastructure | Malaysia | 60 | 60 |
| Ntegrator (Thailand) Limited[3] | To provide system integration services and sale of voice, video and data communication equipment and networks, maintenance and support services, and project management services for network infrastructure | Thailand | 60 | 60 |

[1] *Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International.*
[2] *Not Audited. (Total revenue and asset contribution to the Group is immaterial and is less than 0.1%. The entire interest in Ntegrator Sdn Bhd has been disposed on 15 March 2010)*
[3] *Audited by V.A.T. Accounting, Thailand, a member firm of Nexia International.*

## 16. Property, plant and equipment

| | Office equipment S$'000 | Computers S$'000 | Telephones S$'000 | Software S$'000 | Motor vehicle S$'000 | Demo equipment S$'000 | Furniture S$'000 | Fittings S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | | |
| **2009** | | | | | | | | | |
| *Cost* | | | | | | | | | |
| Beginning of financial year | 88 | 378 | 14 | 167 | 37 | 572 | 122 | 195 | 1,573 |
| Additions | 110 | 11 | - | 13 | - | 91 | 1 | 2 | 228 |
| Disposals | - | - | - | - | - | - | (9) | - | (9) |
| Currency translation differences | (2) | 1 | - | 1 | - | 1 | 1 | (2) | - |
| End of financial year | 196 | 390 | 14 | 181 | 37 | 664 | 115 | 195 | 1,792 |
| *Accumulated depreciation* | | | | | | | | | |
| Beginning of financial year | 77 | 327 | 9 | 145 | 14 | 546 | 94 | 183 | 1,395 |
| Depreciation charge | 18 | 35 | 1 | 24 | 4 | 30 | 7 | 7 | 126 |
| Disposals | - | - | - | - | - | - | (6) | - | (6) |
| Currency translation differences | (1) | (1) | - | 1 | - | 1 | 1 | (1) | - |
| End of financial year | 94 | 361 | 10 | 170 | 18 | 577 | 96 | 189 | 1,515 |
| Net book value | | | | | | | | | |
| End of financial year | 102 | 29 | 4 | 11 | 19 | 87 | 19 | 6 | 277 |
| **Group** | | | | | | | | | |
| **2008** | | | | | | | | | |
| *Cost* | | | | | | | | | |
| Beginning of financial year | 83 | 352 | 14 | 148 | 37 | 565 | 112 | 191 | 1,502 |
| Additions | 6 | 28 | - | 20 | - | 8 | 11 | 5 | 78 |
| Currency translation differences | (1) | (2) | - | (1) | - | (1) | (1) | (1) | (7) |
| End of financial year | 88 | 378 | 14 | 167 | 37 | 572 | 122 | 195 | 1,573 |
| *Accumulated depreciation* | | | | | | | | | |
| Beginning of financial year | 71 | 264 | 7 | 125 | 10 | 456 | 84 | 177 | 1,194 |
| Depreciation charge | 7 | 65 | 2 | 21 | 4 | 91 | 11 | 7 | 208 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Currency translation differences | (1) | (2) | - | (1) | - | (1) | (1) | (1) | (7) |
| End of financial year | 77 | 327 | 9 | 145 | 14 | 546 | 94 | 183 | 1,395 |
| Net book value | | | | | | | | | |
| End of financial year | 11 | 51 | 5 | 22 | 23 | 26 | 28 | 12 | 178 |

As at 31 December 2009, the net carrying amount of motor vehicles held under finance leases was S$19,000 (2008: S$23,000).

## 17. Intangible assets

| Group | IP clock S$'000 | Server-based telephone system S$'000 | Car park management system S$'000 | Total S$'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| Balance at 1.1.2008 | 883 | 321 | - | 1,204 |
| Additions | - | - | 450 | 450 |
| Amortisation | (74) | (89) | - | (163) |
| Balance at 31.12.2008 | 809 | 232 | 450 | 1,491 |
| Additions | - | - | 365 | 365 |
| Amortisation | (177) | (78) | - | (255) |
| Balance at 31.12.2009 | 632 | 154 | 815 | 1,601 |

The intangible assets relate to development costs for communication systems for IP clock and Server-based telephone system. IP clock is a joint research and development project between IP Clock Ltd and Ntegrator Pte Ltd, subsidiary. The research is funded by Singapore Israel Industrial Research and Development Foundation. The research aims to develop an application-agnostic, cost-effective, standards compliance synchronization solution for Next Generation Networks, by creating a low cost clock recovery module using a low-cost oscillator and innovative clock recovery algorithms. Such solution will help to improve the network synchronization and to provide good quality traffic over the customers' mobile communication networks.

Other intangible assets relates to the joint development with Cellular Systems International ("CSI") and Surbana Technologies which is currently developing the centralized car park management system, for marketing by the Consortium in Singapore as well as in the region. By customizing the CSI's central on-line credit card parking system, which is currently used in Israel to support cash card payment, Ntegrator will integrate the customized system with Surbana's Integrated Estate Management System to facilitate the centralized processing of parking transactions, monitoring of equipment status as well as data hosting.

## 18. Trade and other payables

| | Group | | Company | |
|---|---|---|---|---|
| | 2009 S$'000 | 2008 S$'000 | 2009 S$'000 | 2008 S$'000 |
| Trade payables – non-related party | 3,240 | 3,057 | - | 137 |
| Bills payables | 37,531 | 30,672 | - | - |
| Accrued project costs | 2,997 | 2,922 | - | - |
| Advance received for project costs | 4,487 | 4,934 | - | - |
| Accrued operating expenses | 1,393 | 958 | 413 | 296 |
| Grant received in advance | 146 | 156 | - | - |
| Deferred revenue | 230 | 155 | - | - |
| | 50,024 | 42,854 | 413 | 433 |

## 18. Trade and other payables (continued)

*Trade payables*

Trade payables are non-interest bearing and are normally settled on 60-day terms.

*Bills payables*

These payables have an average maturity of 120 – 270 (2008: 120 – 270) days and the weighted average effective interest is 8% (2008: 8%) per annum. These payables are denominated in the United States dollars.

*Deferred revenue*

Deferred revenue represents maintenance revenue received in advance of services being rendered.

## 19. Borrowings

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| *Current* | | |
| Bank borrowings | 1,681 | 944 |
| Bank overdrafts (Note 10) | 1,608 | 1,531 |
| Finance lease liabilities (Note 20) | 5 | 5 |
| | 3,294 | 2,480 |
| *Non-current* | | |
| Bank borrowings | 2,584 | - |
| Finance lease liabilities (Note 20) | 9 | 14 |
| | 2,593 | 14 |
| | 5,887 | 2,494 |

(a) *Security granted*

Bank borrowings and bank overdrafts are secured by corporate guarantee of the Company.

(b) *Fair value of non-current borrowings*

At balance sheet date, the fair values of non-current borrowings approximate their carrying amounts.

The fair values are determined from the cash flow analysis, discounted at market borrowing rate of an equivalent instrument of 3.3% to 5% (2008: 3.3%) per annum at the balance sheet date which directors expect to be available to the Group.

## 20. Finance lease liabilities

The Group purchased certain motor vehicle under finance lease agreements which expire over the next three years. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

| | Group | | | |
|---|---|---|---|---|
| | **Minimum payments 2009** S$'000 | **Present value of payments 2009** S$'000 | **Minimum payments 2008** S$'000 | **Present value of payments 2008** S$'000 |
| Not later than one year | 6 | 5 | 6 | 5 |
| Later than one year but not later than five years | 10 | 9 | 15 | 14 |
| Total minimum lease payments | 16 | 14 | 21 | 19 |
| Less: Amount representing finance charges | (1) | - | (2) | - |
| Present value of minimum lease payments | 15 | 14 | 19 | 19 |

## 21. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

| | Group | |
|---|---|---|
| | **2009** S$'000 | **2008** S$'000 |
| Deferred income tax liabilities – accelerated tax depreciation | | |
| - to be settled after more than 12 months | (59) | (59) |
| | (59) | (59) |

There is no movement in the deferred income tax during the financial year.

## 22. Share capital

| | Group and Company | |
|---|---|---|
| | **2009** S$'000 | **2008** S$'000 |
| Issued and fully-paid : | | |
| Balance at beginning of the financial year | | |
| - 341,482,344 (2008: 341,482,344) ordinary shares | 13,708 | 13,708 |
| Issued during the financial year: | | |
| - 13,014,000 (2008: Nil) ordinary shares under share option scheme | 520 | - |
| - Exercise and cancellation of Share Options | 221 | - |
| Balance at end of the financial year | | |
| - 354,496,344 (2008: 341,482,344) ordinary shares | 14,449 | 13,708 |

**22. Share capital (continued)**

There is no par value for these ordinary shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

The Company implemented the Ntegrator Share Option Scheme (the "Scheme") in 2005 for granting of options to its full-time employees and directors of the Company and its subsidiaries. The total number of ordinary shares over which the Company may grant under the Scheme shall not exceed 15% of the issued share capital of the Company on the day preceding the date of grant.

The Scheme is administered by the Remuneration Committee ("RC") which comprises three directors, namely Bernard Chen Tien Lap, Lai Chun Loong and Charles George St. John Reed.

The exercise price for each ordinary share in respect of which an option is exercisable shall be determined by the Committee as follows:

(i) at a price equal to the prevailing market price of the ordinary shares of the Company based on the last dealt price per share as indicated in the daily official list or any publication published by the SGX for the five consecutive trading days immediately preceding the date of grant of that option (the "Market Price"); or

(ii) at a price which is set at a discount to the Market Price provided that the maximum discount shall not exceed 20% of the Market Price.

Options granted with the exercise price set at Market Price shall only be exercisable after 12 months of the date of grant of that option. Options granted with exercise price set a discount to Market Price shall only be exercisable after 24 months from the date of grant of that option. All options granted shall be exercised before the end of 120 months (or 60 months where the participant is a non-executive directors) of the date of grant of that option and subject to such other conditions as may be introduced by the Committee from time to time.

Details of the options to subscribe for ordinary shares of the Company granted to directors, executive officers and employees of the Group pursuant to the Scheme described above are as follows:

| | Balance at 1.1.2009 | Issued during the year | Exercised during the year | Cancelled during the year | Balance at 31.12.2009 | Exercise price | Exercisable period |
|---|---|---|---|---|---|---|---|
| Non-executive directors | 6,500,000 | - | 4,700,000 | - | 1,800,000 | S$0.04 | 25.8.2009 to 25.8.2014[2] |
| Executive directors | 10,000,000 | - | - | - | 10,000,000 | S$0.04 | 25.8.2009 to 25.8.2019[2] |
| Key management personnel | 11,000,000 | - | 4,500,000 | - | 6,500,000 | S$0.04 | 25.8.2009 to 25.8.2019[2] |
| Other | 901,000 | - | - | 85,000 | 816,000 | S$0.13 | 11.9.2007 to 10.9.2017[1] |
| employees | 6,564,000 | - | 3,814,000 | 828,000 | 1,922,000 | S$0.04 | 25.8.2009 to 25.8.2019[2] |
| | 34,965,000 | - | 13,014,000 | 913,000 | 21,038,000 | | |

1. The fair value of equity share options as at the date of grant is estimated by an external valuer using a trinomial option pricing model, taking into account the terms and conditions upon which options were granted.

   The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

## 22. Share capital (continued)

2. The fair value of equity share options as at the date of grant is estimated by an external valuer using a Trinomial Option Pricing Model in the Bloomberg Executive Option Valuation Module ("BEOVM") to estimate the fair value of the Options as at the date of grant, 25 August 2008.

**BEOVM Parameters**

The actual parameters applied in the BEOVM to estimate the fair values of the Options as at the date of grant are shown below:

| Date of Grant | Vesting Date | Estimated Exercise Date | Subscription Price (S$) | Last Traded Price (S$) | Estimated Volatility (%) | Risk-free Rate (%) |
|---|---|---|---|---|---|---|
| 25-Aug-08 | 25-Aug-09 | 25-Aug-10 | 0.04 | 0.04 | 100 | 1.145 |

## 23. Commitments

*Operating lease commitments*

The Group leases commercial property as offices from non-related parties. These leases have remaining non-cancellable terms of up to 22 (2008: 20) months with no renewal option or escalation clauses in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Future minimum lease payments under the non-cancellable leases as at 31 December are as follows:

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Not later than one year | 308 | 277 |
| Later than one year but not later than five years | 215 | 43 |
| | 523 | 320 |

## 24. Related party disclosures

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties.

Compensation of directors and key management personnel:

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Salaries and bonuses | 1,599 | 1,340 |
| Defined contribution pension plans | 52 | 58 |
| Directors' fees | 282 | 224 |
| Share option expense | 307 | 168 |
| | 2,240 | 1,790 |
| Comprised amounts paid to : | | |
| Directors of the Company | 1,317 | 1,054 |
| Directors of subsidiaries | 147 | 76 |
| Key management personnel | 776 | 660 |
| | 2,240 | 1,790 |

## 25. Dividends

| | Group and Company | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Ordinary dividends paid : | | |
| Final exempt dividend paid in respect of the previous financial year of Nil (2008: 0.25 cents) per share | - | 855 |

At the forthcoming Annual General Meeting on 30 April 2010, a final exempt dividend of 0.20 cents per share amounting to S$709,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2010.

## 26. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors comprise of Executive and Non-Executive Directors.

The Board of Directors considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas: Singapore, Myanmar and Vietnam. All geographic locations are engaged in the project sales and project management and maintenance services.

The Group is organized into two operating segments – Project Sales and Project Management and Maintenance Services.

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

The Project Management and Maintenance Services segment provides installation and implementation services of the network infrastructure or voice communication systems that have been purchased by the customers from our principals, and maintenance and support services mainly for the network infrastructure and voice communication systems.

*Allocation basis and transfer pricing*

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

No disclosure of capital expenditure and depreciation of plant and equipment by business segments are made as the assets of the Group are used interchangeably by different business segments and therefore, it is not practicable to segregate the assets for disclosure purpose. The directors of the Company do not consider this information to be meaningful.

**26. Segment information (continued)**

The segment information provided to the Board of Directors for the reportable segments for the financial years ended 31 December 2009 and 2008 is as follows:

**Business segments**

| | Project sales | | Project Management & Maintenance Services | | Consolidated | |
|---|---|---|---|---|---|---|
| | **2009** | **2008** | **2009** | **2008** | **2009** | **2008** |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **Segment revenue** | | | | | | |
| Sales to external customers | 48,171 | 42,532 | 7,754 | 5,404 | 55,925 | 47,936 |
| Segment result | 5,385 | 2,172 | 1,911 | 4,481 | 7,296 | 6,653 |
| Other income | | | | | 931 | 309 |
| Unallocated expenses | | | | | | |
| - Employee compensation | | | | | (4,308) | (4,583) |
| - Depreciation | | | | | (126) | (208) |
| - Amortisation | | | | | (255) | (163) |
| - Foreign exchange loss | | | | | (411) | (12) |
| - Other | | | | | (1,758) | (841) |
| Finance costs | | | | | (393) | (491) |
| Profit before income tax | | | | | 976 | 664 |
| Income tax | | | | | (46) | (29) |
| **Net profit** | | | | | 930 | 635 |
| **Segment assets** | 74,262 | 61,934 | 1,866 | 2,081 | 76,128 | 64,015 |
| Unallocated assets | | | | | | |
| - Cash and cash equivalents | | | | | 2,784 | 2,691 |
| - Property, plant and equipment | | | | | 153 | 745 |
| **Total assets** | | | | | 79,065 | 67,451 |
| **Segment liabilities** | 46,821 | 38,760 | 535 | 596 | 47,356 | 39,356 |
| Unallocated liabilities | | | | | | |
| - Trade and other payables | | | | | 2,749 | 4,094 |
| - Borrowings | | | | | 5,887 | 2,494 |
| - Deferred income tax liabilities | | | | | 59 | 59 |
| - Current income tax liabililites | | | | | 34 | 276 |
| **Total liabilities** | | | | | 56,085 | 46,279 |

## 26. Segment information (continued)

### Geographic segments

| | Singapore | | Myanmar | | Vietnam | | Others | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Segment revenue | | | | | | | | | | |
| Sales to external customers | 9,268 | 6,232 | 2,934 | 12,714 | 34,714 | 23,707 | 9,009 | 5,283 | 55,925 | 47,936 |

Other geographical information:

| | Singapore | | Myanmar | | Vietnam | | Others | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Segment assets | 67,928 | 59,911 | - | - | - | - | 11,137 | 7,540 | 79,065 | 67,451 |
| Capital expenditure | | | | | | | | | | |
| - property, plant and equipment | 224 | 73 | - | - | - | - | 6 | 5 | 230 | 78 |
| - intangible assets | 365 | 450 | - | - | - | - | - | - | 365 | 450 |

## 27. Financial risk management objectives and policies

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's principal financial instruments comprise bank loans and overdrafts, finance leases and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. In determining its risk management policies, the management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the risk.

The board reviews and agrees policies for managing each of these risks and they are summarised below:

*(a) Market risk*

(i) Currency risk

Entities in the Group provide services and sell goods in several countries, and as a result, transact in currencies other than their respective functional currencies ("foreign currencies") such as the United States Dollars ("USD"), Malaysian Ringgit ("MYR") and Thai Baht ("BAHT").

In addition to transactional exposure, the Group is also exposed to foreign exchange movements in its net investments in foreign subsidiaries. The Group does not have any formal policy with respect to such foreign currency exposure as its investments are long-term in nature.

**27. Financial risk management objectives and policies (continued)**

*(a) Market risk (continued)*

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

| | 2009 | | | | | | 2008 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | SGD S$'000 | USD S$'000 | MYR S$'000 | BAHT S$'000 | OTHER S$'000 | TOTAL S$'000 | SGD S$'000 | USD S$'000 | MYR S$'000 | BAHT S$'000 | OTHER S$'000 | TOTAL S$'000 |
| **Financial Assets** | | | | | | | | | | | | |
| Cash and cash equivalents | 541 | 2,239 | – | 3 | 1 | 2,784 | 21 | 1,810 | 1 | 832 | 27 | 2,691 |
| Trade and other receivables | 3,017 | 54,393 | 337 | 6,200 | – | 63,947 | 1,805 | 47,409 | 344 | 943 | – | 50,501 |
| | 3,568 | 56,632 | 337 | 6,203 | 1 | 66,741 | 1,826 | 49,219 | 345 | 1,775 | 27 | 53,192 |
| **Financial Liabilities** | | | | | | | | | | | | |
| Trade and other payables | 3,625 | 37,012 | 37 | 9,339 | 1 | 50,014 | 8,363 | 28,988 | 28 | 5,475 | – | 42,854 |
| Borrowings | 5,791 | – | 15 | 81 | – | 5,887 | 2,018 | 20 | 34 | 422 | – | 2,494 |
| | 9,426 | 37,012 | 52 | 9,420 | 1 | 55,911 | 10,381 | 29,008 | 62 | 5,897 | – | 45,348 |
| Net financial (liabilities)/assets | (5,858) | 19,620 | 285 | (3,217) | – | 10,830 | (8,555) | 20,211 | 283 | (4,122) | 27 | 7,844 |

If the USD change against the SGD by 3% (2008: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

| | Group | | | |
|---|---|---|---|---|
| | **2009** S$'000 | | **2008** S$'000 | |
| | Net profit | Equity | Net profit | Equity |
| USD | | | | |
| - strengthened 3% (2008: 3%) | + 589 | + 589 | + 606 | + 606 |
| - weakened 3% (2008: 3%) | - 589 | - 589 | - 606 | - 606 |

If the BAHT change against the SGD by 3% (2008: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

| | Group | | | |
|---|---|---|---|---|
| | **2009** S$'000 | | **2008** S$'000 | |
| | Net profit | Equity | Net profit | Equity |
| BAHT | | | | |
| - strengthened 3% (2008: 3%) | + 97 | + 97 | + 124 | + 124 |
| - weakened 3% (2008: 3%) | - 97 | - 97 | - 124 | - 124 |

If the other foreign currencies have strengthened/weakened by 3% (2008: 3%) against the SGD with all other variables including tax rate being held constant, the impact to the equity and net profit of the Group arising from currency translation gains/losses to the remaining foreign currency denominated financial liability/asset will not be significant.

**27. Financial risk management objectives and policies (continued)**

*(a) Market risk (continued)*

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets and liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

*(b) Credit risk*

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Customers with high credit risks are required either to pay on cash term, make advance payments or issue letter of credits. Since the Group trades only with recognised, creditworthy and secured third parties, there is no requirement for collateral. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group has concentration of credit risk with customers, who are foreign government agencies, for whom it has completed several network infrastructure projects. These customers have made an arrangement with a financial institution in its own country to issue irrevocable letters of credit in favour of the Group for the settlement of these projects. As at 31 December 2009, the total amount of the irrevocable letters of credit issued in favour of the Group of S$53,090,000 (2008 : S$45,854,000), which are classified as bills receivables (Note 11), and represents 89% (2008 : 93%) of the total trade receivables of the Group as at that date.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

| | Company | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Corporate guarantees provided to banks or subsidiary's loan | 5,873 | 2,475 |

**27. Financial risk management objectives and policies (continued)**

*(b) Credit risk (continued)*

The credit risk for trade and bills receivables based on the information provided by the Group and the Company are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2009** | **2008** | **2009** | **2008** |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| By geographical areas | | | | |
| Singapore | 2,864 | 2,118 | 3,863 | 4,066 |
| Myanmar | 24,349 | 32,409 | - | - |
| Vietnam | 29,512 | 14,576 | - | - |
| Other | 3,076 | 427 | - | - |
| | 59,801 | 49,530 | 3,863 | 4,066 |
| By types of customers | | | | |
| Related parties | - | - | 3,852 | 4,065 |
| Non-related parties | | | | |
| - Government agencies | 55,224 | 33,820 | - | - |
| - Other companies | 4,577 | 15,710 | 11 | 1 |
| | 59,801 | 49,530 | 3,863 | 4,066 |

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

The Group's trade receivables not past due include receivables amounting to S$393,000 (2008: S$587,000) that would have been past due or impaired if the terms were not re-negotiated during the financial year.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables. The age analysis of trade receivables past due but not impaired is as follows:

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| | S$'000 | S$'000 |
| Past due 0 to 3 months | 2,626 | 514 |
| Past due 3 to 6 months | 785 | 178 |
| Past due over 6 months | 2,907 | 2,397 |
| | 6,318 | 3,089 |

No allowance for impairment in trade receivables has been provided during the financial year as the receivables past due are due from customers whom have been dealing with the Group for many years with good creditworthiness.

**27. Financial risk management objectives and policies (continued)**

*(c) Liquidity risk*

The table below analyses the maturity profile of the Group's and Company's financial liabilities (including derivative financial liabilities) based contractual undiscounted cash flows.

| | Less than 1 year S$'000 | Between 1 and 2 years S$'000 | Between 2 and 5 years S$'000 |
|---|---|---|---|
| Group | | | |
| **At 31 December 2009** | | | |
| Trade and other payables | 50,024 | - | - |
| Borrowings | 3,294 | 2,588 | 5 |
| | 53,318 | 2,588 | 5 |
| **At 31 December 2008** | | | |
| Trade and other payables | 42,854 | - | - |
| Borrowings | 2,480 | 5 | 9 |
| | 45,334 | 5 | 9 |
| Company | | | |
| **At 31 December 2009** | | | |
| Trade and other payables | 413 | - | - |
| **At 31 December 2008** | | | |
| Trade and other payables | 433 | - | - |

The Group manages the liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's business operations and development activities. The Group's objective is to maintain a balance between continuing of funding and flexibility through the use of bank overdrafts, bank loans and finance leases.

## 27. Financial risk management objectives and policies (continued)

*(d) Capital risk*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a debt-equity ratio. The Group and the Company are also required by the banks to maintain a debt-equity ratio of not exceeding 2.8 times (2008: 2.8 times). The Group's and Company's strategies, which were unchanged from 2006, are to maintain debt-equity ratios within 2.5 times to 3.0 times.

The debt-equity ratio is calculated as total liabilities divided by total net tangible asset.

| | Group | |
|---|---|---|
| | **2009** | **2008** |
| Total liabilities (S$'000) | 56,085 | 46,279 |
| Net tangible asset (S$'000) | 21,379 | 19,681 |
| Debt-equity ratio | 2.62 times | 2.35 times |

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2008 and 2009.

## 28. New accounting standards and FRS interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods and which the Group has not early adopted. The Group's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Group is set out below:

(a) FRS 27 (revised) *Consolidated and Separate Financial Statements* (effective for annual periods beginning on or after 1 July 2009).

FRS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply FRS 27 (revised) prospectively to transactions with minority interests from 1 January 2010.

(b) FRS 103 (revised) *Business Combinations* (effective for annual periods beginning on or after 1 July 2009)

FRS 103 (revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair vale or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply FRS 103 (revised) prospectively to all business combinations from 1 January 2010.

# STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2010

| | | |
|---|---|---|
| Class of shares | : | Ordinary shares |
| Issued and fully paid-up capital | : | SGD14,121,933.53 |
| Number of Shares issued | : | 354,496,344 |
| Voting rights | : | One vote per share |

**Distribution of Shareholdings**

| Size of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|---|---|---|---|---|
| 1 - 999 | 3 | 0.36 | 1,532 | 0.00 |
| 1,000 - 10,000 | 234 | 28.33 | 1,032,000 | 0.29 |
| 10,001 - 1,000,000 | 541 | 65.50 | 79,822,000 | 22.52 |
| 1,000,001 and above | 48 | 5.81 | 273,640,812 | 77.19 |
| **Total :** | **826** | **100.00** | **354,496,344** | **100.00** |

**Twenty Largest Shareholders**

| S/No. | Name | No. of Shares | % |
|---|---|---|---|
| 1. | 1413783 Ontario Inc | 47,576,000 | 13.42 |
| 2. | Fortune Technology Fund I Limited | 36,488,120 | 10.29 |
| 3. | Mayban Nominees (S) Pte Ltd | 33,173,132 | 9.36 |
| 4. | Goh Siok Kuan | 24,000,000 | 6.77 |
| 5. | Lim Bee Hwa or Tan Lweng Ngoh | 12,713,000 | 3.59 |
| 6. | Chang Joo Whut | 10,800,000 | 3.05 |
| 7. | Tan Yew Bock | 7,000,000 | 1.97 |
| 8. | DBS Vickers Securities (S) Pte Ltd | 6,600,000 | 1.86 |
| 9. | Thng Joo Moi | 4,457,000 | 1.26 |
| 10. | Sw Chan Kit | 4,450,000 | 1.26 |
| 11. | 1413782 Ontario Inc | 4,304,560 | 1.21 |
| 12. | Lee Keen Whye | 4,285,000 | 1.21 |
| 13. | DBS Nominees Pte Ltd | 4,108,000 | 1.16 |
| 14. | Han Meng Siew | 4,000,000 | 1.13 |
| 15. | Nam Jee Wah | 3,800,000 | 1.07 |
| 16. | Neo Tiong Woon | 3,498,000 | 0.99 |
| 17. | OCBC Securities Private Ltd | 3,486,000 | 0.98 |
| 18. | Chen Tien Lap Bernard | 3,300,000 | 0.93 |
| 19. | United Overseas Bank Nominees Pte Ltd | 3,258,000 | 0.92 |
| 20. | Leong Wee Siong | 3,061,000 | 0.86 |
| | **Total :** | **224,357,812** | **63.29** |

# STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2010

**SUBSTANTIAL SHAREHOLDERS**
(As recorded in the Register of Substantial Shareholders)

| | Direct Interest | % | Deemed Interest | % |
|---|---|---|---|---|
| Han Meng Siew [1] | 10,124,000 | 2.86 | 24,000,000 | 6.77 |
| Goh Siok Kuan [1] | 24,000,000 | 6.77 | 10,124,000 | 2.86 |
| Chang Joo Whut | 18,124,000 | 5.11 | - | - |
| Fortune Technology Fund I Ltd [2] | 36,488,120 | 10.29 | - | - |
| TIF Asia Pte Ltd [2] | - | - | 36,488,120 | 10.29 |
| G-Tech Investments Pte Ltd [2] | - | - | 36,488,120 | 10.29 |
| EDB Investments Pte Ltd [2] | - | - | 36,488,120 | 10.29 |
| Economic Development Board [2] | - | - | 36,488,120 | 10.29 |
| McLean Watson Capital Inc. [3] | - | - | 51,880,560 | 14.64 |
| McLean Watson Ventures II Limited Partnership [3] | - | - | 51,880,560 | 14.64 |
| 1413782 Ontario Inc. [3] | 4,304,560 | 1.21 | - | - |
| 1413783 Ontario Inc. [3] | 47,576,000 | 13.42 | - | - |

**Notes:**

(1) Mdm Goh Siok Kuan is the spouse of Mr Han Meng Siew. Mr Han Meng Siew is deemed to be interested in the shares held by his wife. Mdm Goh Siok Kuan is similarly deemed interested in the shares held by Mr Han Meng Siew.

(2) TIF Asia Pte Ltd ("TIF Asia") which holds 50% in Fortune Technology Fund I Ltd ("FTFI"), is deemed by virtue of Section 7(4A) of the Companies' Act to be interested in the Shares held by FTFI.

Economic Development Board ("EDB") and EDB Investments Pte Ltd ("EDBI") are deemed to be Substantial Shareholders of the Company through TIF Asia. TIF Asia is a subsidiary of G-Tech Investment Pte Ltd which is a subsidiary of EDBI. EDBI is a wholly-owned subsidiary of EDB.

(3) McLean Watson Ventures II Limited Partnership ("McLean Watson Ventures") is the beneficial owner of an aggregate of 51,880,560 shares, which are held in trust by 1413782 Ontario Inc. and 1413783 Ontario Inc. (the "Nominee Corporations").

## Percentage of Shareholdings in Public Hands

51.6% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the listing manual of SGX-ST.

## Treasury Shares (Rule 1204(9)(f))

The Company does not hold any Treasury Shares.

# STATISTICS OF WARRANTHOLDINGS

AS AT 18 MARCH 2010

## Distribution of Warrantholdings

| Size of Warrantholdings | No. of Warrantholders | % | No. of Warrants | % |
|---|---|---|---|---|
| 1 - 999 | 110 | 14.87 | 41,559 | 0.04 |
| 1,000 - 10,000 | 236 | 31.89 | 956,199 | 0.90 |
| 10,001 - 1,000,000 | 376 | 50.81 | 39,386,200 | 37.03 |
| 1,000,001 and above | 18 | 2.43 | 65,964,943 | 62.03 |
| **Total :** | **740** | **100.00** | **106,348,901** | **100.00** |

## Twenty Largest Warrantholders

| S/No. | Name | No. of Warrants | % |
|---|---|---|---|
| 1. | 1413783 Ontario Inc | 14,272,800 | 13.42 |
| 2. | Fortune Technology Fund I Limited | 10,946,436 | 10.29 |
| 3. | Mayban Nominees (S) Pte Ltd | 9,488,939 | 8.92 |
| 4. | Goh Siok Kuan | 7,200,000 | 6.77 |
| 5. | Lim Bee Hwa or Tan Lweng Ngoh | 3,813,900 | 3.59 |
| 6. | Chang Joo Whut | 3,240,000 | 3.05 |
| 7. | Chua Choon Hin | 2,000,300 | 1.88 |
| 8. | Tan Yew Bock | 2,000,000 | 1.88 |
| 9. | DBS Vickers Securities (S) Pte Ltd | 1,980,000 | 1.86 |
| 10. | Thng Joo Moi | 1,337,100 | 1.26 |
| 11. | Sw Chan Kit | 1,335,600 | 1.26 |
| 12. | 1413782 Ontario Inc | 1,291,368 | 1.21 |
| 13. | Lee Keen Whye | 1,285,500 | 1.21 |
| 14. | DBS Nominees Pte Ltd | 1,226,400 | 1.15 |
| 15. | Han Meng Siew | 1,200,000 | 1.13 |
| 16. | Nam Jee Wah | 1,140,000 | 1.07 |
| 17. | Ng Boon Hai | 1,112,000 | 1.05 |
| 18. | Tan Lye Seng | 1,094,600 | 1.03 |
| 19. | Chen Tien Lap Bernard | 990,000 | 0.93 |
| 20. | United Overseas Bank Nominees Pte Ltd | 968,400 | 0.91 |
| | **Total :** | **67,923,343** | **63.87** |

# NOTICE OF ANNUAL GENERAL MEETING

**NTEGRATOR INTERNATIONAL LTD.**
*(Incorporated in Singapore)*
*(Co. Reg. No: 199904281D)*

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ntegrator International Ltd. (the "Company") will be held at 4 Leng Kee Road #06-04, SIS Building, Singapore 159088 on Friday, 30 April 2010 at 11.00 a.m. for the following purposes:

**AS ORDINARY BUSINESS**

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31 December 2009 together with the Auditors' Report thereon.
**(Resolution 1)**

2. To declare a first and final Tax Exempt (One-Tier) dividend of 0.2 Singapore cent per share for the year ended 31 December 2009 (2008: Nil).
**(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Article 99(2) of the Company's Articles of Association:

   Mr Bernard Chen Tien Lap **(Resolution 3)**
   Mr Han Meng Siew **(Resolution 4)**
   Mr Tay Koon Chuan **(Resolution 5)**

4. To approve the payment of Directors' fees of S$282,000 for the year ended 31 December 2009 (2008: S$ 223,700).
**(Resolution 6)**

5. To re-appoint Nexia TS Public Accounting Corporation as the Company's Independent Auditor and to authorise the Directors to fix their remuneration.
**(Resolution 7)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

**AS SPECIAL BUSINESS**

To consider and if thought fit, to pass the following resolutions, with or without any modifications:

7. **Special Resolution : Share Issue Mandate**

   That authority be and is hereby given to the directors of the Company to:-

   (a) (i) issue Shares each whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the directors of the Company may in their absolute discretion deem fit; and

**AS SPECIAL BUSINESS (continued)**

7. **Special Resolution : Share Issue Mandate (continued)**

(b) issue Shares (including in pursuance of any Instrument made or granted by the directors of the Company while this Special Resolution was in force), provided that:-

(i) the aggregate number of Shares to be issued pursuant to this Special Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Special Resolution) does not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), whether on a pro-rata or non pro-rata basis; and

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares (excluding treasury shares) shall be based on the number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Special Resolution is passed, after adjusting for:-

(A) new Shares arising from the conversion or exercise of any convertible securities or Share options or vesting of Share awards which are outstanding or subsisting at the time this Special Resolution is passed; and

(B) any subsequent bonus issue, consolidation or sub-division of Shares;

(iii) in exercising the authority conferred by this Special Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of Section B: Rules of Catalist of the Listing Manual of the SGX-ST (the "Catalist Rules") for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act Cap. 50 and otherwise, and the Articles of Association of the Company; and

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Special Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.
[See explanatory note (i)] **(Resolution 8)**

8. **Ordinary Resolution : Proposed Increase in Discount Limit for Placement Exercise**

That authority be and is hereby given to the directors of the Company to issue Shares other than on a pro-rata basis to shareholders of the Company, at a discount (as the Directors may in their absolute discretion deem fit) to the weighted average price of the Shares for trades done on the Catalist for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day), exceeding ten per cent. (10%) but not more than twenty per cent. (20%), at any time and upon such terms and conditions and for such purposes and to such persons as the directors of the Company may in their absolute discretion deem fit, provided that:-

a) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies' Act, Cap. 50; and

8. **Ordinary Resolution : Proposed Increase in Discount Limit for Placement Exercise (continued)**

(b) (unless revoked or varied by the Company in general meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.
[See explanatory note (ii)]

**(Resolution 9)**

9. **Ordinary Resolution : Authority to allot and issue shares under the Ntegrator Share Option Scheme & Ntegrator Performance Share Plan**

That pursuant to Section 161 of the Companies' Act, Cap. 50, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the Ntegrator Share Option Scheme and/or such number of fully paid shares in the Company as may be required to be issued pursuant to the vesting of awards under the Ntegrator Performance Share Plan provided that the aggregate number of shares to be issued pursuant to the options granted under the Ntegrator Share Option Scheme and the vesting of awards granted or to be granted under the Ntegrator Performance Share Plan shall not exceed fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.
[See Explanatory Note (iii)] **(Resolution 10)**

10. **Ordinary Resolution : Authority to allot and issue shares under Ntegrator Scrip Dividend Scheme**

That pursuant to Section 161 of the Companies' Act, Cap. 50, approval be and is hereby given to the Directors of the Company to allot and issue shares in the Company as may be required to be allotted and issued pursuant to the Ntegrator Scrip Dividend Scheme approved by Shareholders at the Extraordinary General Meeting of the Company held on 12 February 2010, and to do all acts and things which they may consider necessary or expedient, to carry the same into effect.
[See Explanatory Note (iv)] **(Resolution 11)**

11. **Ordinary Resolution : Proposed Share Buyback Mandate**

That for the purposes of Sections 76C and 76E of the Companies' Act, Cap. 50, authority be and is hereby given to the directors of the Company to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "**On-Market Purchase**") on the Catalist (a market regulated by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), formerly known as the SGX-ST Dealing and Automated Quotation System) ("**Catalist**"), through the SGX-ST's Central Limit Order Book trading system transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the Catalist in accordance with any equal access scheme as may be determined or formulated by the directors of the Company as they consider fit, such scheme shall satisfy all the conditions prescribed by the Companies' Act, Cap. 50 and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

**AS SPECIAL BUSINESS (Continued)**

11. **Ordinary Resolution : Proposed Share Buyback Mandate (Continued)**

and unless varied or revoked by an ordinary resolution of shareholders of the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Buyback Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of

(i) the date on which the next annual general meeting of the Company is held or required by law to be held; or
(ii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

That in this Resolution,

**"Prescribed Limit"** means ten per cent. (10%) of the issued ordinary Shares of the Company as at the date of the last annual general meeting or as at the date of the passing of this Resolution (whichever is the higher); and **"Maximum Price"** in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Purchase: 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase: 120% of the Average Market Price,

where:

**"Average Closing Price"** is the average of the closing market prices of a Share over the last five market days on Catalist, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five day market period;

**"Average Market Price"** is the average of the closing market prices of a Share over the last five market days on Catalist, on which transactions in the Shares were recorded, preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

**"day of the making of the offer"** means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and the directors of the Company, be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."
[See Explanatory Note (v)] **(Resolution 12)**

By Order of the Board

Kenneth Sw Chan Kit
Yvonne Choo
Shirley Lim Keng San
Company Secretaries

Singapore, 7 April 2010

**Explanatory Notes on Resolutions to be passed:**

(i) The Special Resolution proposed in item 7 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue Shares and convertible securities in the Company up to 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company.

(ii) Ordinary Resolution 9 proposed in item 8 above, if passed, will enable Directors to issue, on a non pro-rata basis, new Shares (excluding convertible securities) at a discount of not more than twenty percent (20%) to the weighted average market price of the Company's shares, determined in accordance with the requirements of SGX-ST. The discount in issue price of non pro-rata new Share issue is one of the interim measures announced by the SGX to accelerate and facilitate fund-raising efforts in a volatile and difficult market condition.

(iii) The Ordinary Resolution 10 proposed in item 9 above, if passed, will empower the Directors of the Company, to allot and issue shares pursuant to the exercise of options outstanding under the Ntegrator Share Option Scheme and/or the vesting of awards granted pursuant to the Ntegrator Performance Share Plan, provided that the aggregate number of shares to be issued pursuant to the Ntegrator Share Option Scheme and the Ntegrator Performance Share Plan does not exceed fifteen per cent (15%) of the total number of shares (excluding treasury shares) in the capital of the Company from time to time.

(iv) The Ordinary Resolution 11 proposed in item 10 above, if passed, will empower the Directors to issue shares in the Company pursuant to Ntegrator Scrip Dividend Scheme as approved by Shareholders at the Extraordinary General Meeting of the Company held on 12 February 2010.

(v) The Ordinary Resolution 12 proposed in item 11 above, if passed, will empower the Directors from the date of the above Meeting until the next Annual General Meeting to purchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price. Information relating to this proposed Resolution are set out in the Addendum together with the Notice of Annual General Meeting to Shareholders dated 7 April 2010.

**Notes –**

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 4 Leng Kee Road #06-04, SIS Building, Singapore 159088 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

4. This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this notice including the correctness of any of the figures used, statements or opinions made.

   This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this notice.

   The contact person for the Sponsor is Ms. Foo Quee Yin.
   Telephone number: 6221 0271

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# PROXY FORM

*(Please see notes overleaf before completing this Form)*

**NTEGRATOR INTERNATIONAL LTD.**
*(Incorporated in Singapore)*
*(Co. Reg. No: 199904281D)*

IMPORTANT:
1. For investors who have used their CPF monies to buy Ntegrator International Ltd.'s shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

*I/We, _____

of _____

being a *member/members of NTEGRATOR INTERNATIONAL LTD. (the "Company"), hereby appoint:

| **Name** | **NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **%** |
| **Address** | | | |

and/or (delete as appropriate)

| **Name** | **NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **%** |
| **Address** | | | |

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on Friday, 30 April 2010 at 11.00 am and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

**(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)**

| **No.** | **Resolutions relating to:** | **For** | **Against** |
|---|---|---|---|
| 1 | Directors' Report and Audited Accounts for the year ended 31 December 2009 | | |
| 2 | Payment of proposed first and final dividend | | |
| 3 | Re-election of Mr Bernard Chen Tien Lap as a Director | | |
| 4 | Re-election of Mr Han Meng Siew as a Director | | |
| 5 | Re-election of Mr Tay Koon Chuan as a Director | | |
| 6 | Approval of Directors' fees amounting to S$282,000 | | |
| 7 | Re-appointment of Nexia TS Public Accounting Corporation as Independent Auditor | | |
| 8 | Share Issue Mandate | | |
| 9 | Increase in Discount Limit for Placement Exercise | | |
| 10 | Authority to allot and issue shares under the Ntegrator Share Option Scheme and Ntegrator Performance Share Plan | | |
| 11 | Authority to allot and issue shares under the Ntegrator Scrip Dividend Scheme | | |
| 12 | Share Buyback Mandate | | |

* *Delete where inapplicable*

Dated this day of 2010

| Total number of Shares in: | **No. of Shares** |
|---|---|
| (a) CDP Register | |
| (b) Register of Members | |

_____
Signature of Shareholder(s) or, Common Seal of Corporate Shareholder

**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), 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, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 4 Leng Kee Road #06-04, SIS Building, Singapore 159088 not less than forty-eight (48) hours before the time appointed for the Meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Bernard Chen Tien Lap
Non-Executive Chairman & Independent Director

Han Meng Siew
Deputy Chairman & Executive Director

Jimmy Chang Joo Whut
Managing Director & Executive Director

Tay Koon Chuan
Non-Executive Director

Loudon Frank McLean Owen
Non-Executive Director

Lai Chun Loong
Independent Director

Charles George St. John Reed
Independent Director

Zacchaeus Boon Suan Zin
(Alternate to Loudon Frank McLean Owen)

Lee Keen Whye
Independent Director

## NOMINATING COMMITTEE

*Independent Directors*
Bernard Chen Tien Lap (Chairman)
Charles George St. John Reed

*Non-Executive Director*
Tay Koon Chuan

## REMUNERATION COMMITTEE

*Independent Directors*
Bernard Chen Tien Lap (Chairman)
Charles George St. John Reed
Lai Chun Loong

## AUDIT COMMITTEE

*Independent Directors*
Charles George St. John Reed (Chairman)
Lai Chun Loong
Lee Keen Whye

*Non-Executive Director*
Loudon Frank McLean Owen
(Alternate to Zacchaeus Boon Suan Zin)

## COMPANY SECRETARIES

Kenneth Sw Chan Kit
Yvonne Choo, FCIS
Lim Keng San Shirley, FCIS

## REGISTERED OFFICE

4 Leng Kee Road
#06-04 SIS Building
Singapore 159088
Tel: (65) 6479 6033
Fax: (65) 6472 2966
Website: www.ntegrator.com

## SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

## AUDITORS

Nexia TS Public Accounting Corporation
Public Accountants and Certified Public Accountants
5 Shenton Way
UIC Building #16-00
Singapore 068808

Director-in-charge: Chin Chee Choon
(Appointed since FY2009)

## PRINCIPAL BANKERS

DBS Bank Ltd
United Overseas Bank Ltd

## INVESTOR RELATIONS CONTACTS

Ntegrator International Ltd.
Jimmy Chang
4 Leng Kee Road
#06-04 SIS Building
Singapore 159088
Tel: (65) 6479 6033
Fax: (65) 6472 2966
ir@ntegrator.com

Citigate Dewe Rogerson, i.MAGE
Elaine Lim / Cedric Tay
1 Raffles Place
OUB Centre #26-02
Singapore 048616
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cedric.tay@citigatedrimage.com

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