

NTEGRATOR INTERNATIONAL LIMITED

(Co. Regn. No: 199904281D)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2009**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS****1(a) A statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		
	S\$'000		%
	FY2009	FY2008	Increase/ (Decrease)
Revenue	55,925	47,936	16.7%
Other gains - net	931	309	201.3%
Equipment and consumables used	(45,051)	(35,661)	26.3%
Employee compensation	(4,308)	(4,583)	(6.0%)
Freight	(611)	(808)	(24.4%)
Commission and consultancy	(1,394)	(3,816)	(63.5%)
Depreciation and amortisation	(381)	(371)	2.7%
Foreign exchange loss, net	(411)	(12)	3,325.0%
Finance	(393)	(491)	(20.0%)
Other	(1,758)	(841)	109.0%
Changes in inventories and contract work-in-progress	(1,573)	(998)	57.6%
	(55,880)	(47,581)	17.4%
Profit before income tax	976	664	47.0%
Income tax	(46)	(29)	58.6%
Net profit for the financial year	930	635	46.5%
Attributable to:			
Shareholders of the Company	945	773	22.3%
Minority interests	(15)	(138)	(89.1%)
	930	635	46.5%
Consolidated comprehensive income			
Net profit	930	635	
Currency translation differences	11	(7)	
	941	628	
Attributable to:			
Shareholders of the Company	956	766	
Minority interests	(15)	(138)	
	941	628	

Any discrepancies in the tables included in this announcement between the total sums of amounts listed and the totals shown are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	2,784	2,691	539	13
Trade and other receivables	50,852	32,707	1,933	4,066
Inventories	2,312	2,689	-	-
Contract work-in-progress	3,918	5,629	-	-
Other current assets	4,216	4,272	1,971	41
	64,082	47,988	4,443	4,120
Non-current assets				
Trade and other receivables	13,095	17,794	-	-
Investment in subsidiaries	-	-	12,000	12,000
Property, plant and equipment	277	178	-	-
Intangible assets	1,601	1,491	-	-
	14,973	19,463	12,000	12,000
Total assets	79,055	67,451	16,443	16,120
LIABILITIES				
Current liabilities				
Contract work-in-progress	81	596	-	-
Trade and other payables	50,014	42,854	403	433
Borrowings	3,294	2,480	-	-
Current income tax liabilities	34	276	-	8
	53,423	46,206	403	441
Non-current liabilities				
Borrowings	2,593	14	-	-
Deferred tax liabilities	59	59	-	-
	2,652	73	-	-
Total liabilities	56,075	46,279	403	441
Net assets	22,980	21,172	16,040	15,679
Equity				
Capital and reserves attributable to equity holders of the Company				
Share capital	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 and minority interest	22,980	21,172	16,040	15,679

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31 December 2009		As at 31 December 2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	3,294	-	2,480

Amount repayable after one year

As at 31 December 2009		As at 31 December 2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	2,593	-	14

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	S\$'000	
	FY2009	FY2008
Cash flow from operating activities:		
Net profit	930	635
Adjustments for:		
Income tax expense	46	29
Depreciation and amortisation	381	371
Loss on disposals of property, plant and equipment	4	-
Interest expense	394	491
Interest income	(4)	(13)
Share option expenses	347	211
Foreign currency translation differences	13	(8)
Loss on investment of subsidiary	-	(25)
	2,111	1,691
Changes 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
Net cash (used in) / generated from operations	(2,546)	1,229
Interest received	4	13
Interest paid	(394)	(491)
Income tax paid	(288)	(385)
Net cash (used in) / provided by operating activities	(3,224)	366
Cash flow from investing activities:		
Purchase of property, plant and equipment	(228)	(78)
Payment for Intangible assets	(368)	(450)
Net cash used in investing activities	(596)	(528)
Cash flow from financing activities:		
Proceeds/(repayment) from loan from financial institution	3,321	(782)
Proceeds from issuance of share capital by the Company	520	-
Repayment of finance leases	(5)	(5)
Dividend paid	-	(855)
Net cash flows 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 financial year	1,160	2,964
Cash and cash equivalents at end of financial year	1,176	1,160

Cash and cash equivalents comprise the following:

	Group	
	S\$'000	
	FY2009	FY2008
Cash and bank balances	2,784	2,691
Less: Bank overdrafts	(1,608)	(1,531)
	1,176	1,160

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation, issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Issued Share capital	Employee Share Options Reserve	Foreign currency translation reserve	Retained profits	Equity attributable to shareholders of the Company	Minority Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	\$'000
Balance as at 31 December 2007 and 1 January 2008	13,708	23	(13)	7,330	21,048	164	21,212
Dividend paid	-	-	-	(855)	(855)	-	(855)
Share option expenses	-	211	-	-	211	-	211
Adjustment to minority interest	-	-	-	-	-	(24)	(24)
Comprehensive income/(loss)	-	-	(7)	773	766	(138)	628
Balance as at 31 December 2008	13,708	234	(20)	7,248	21,170	2	21,172
Shares issued pursuant to Share options exercised	520	-	-	-	520	-	520
Exercise and cancellation of share option	221	(221)	-	-	-	-	-
Share Option Expenses	-	347	-	-	347	-	347
Comprehensive income/(loss)	-	-	11	945	956	(15)	941
Balance as at 31 December 2009	14,449	360	(9)	8,193	22,993	(13)	22,980

Company	Issued Share capital	Employee Share Option Reserve	Retained Profit	Equity attributable to shareholders of the Company
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 31 December 2007 and 1 January 2008	13,708	23	2,933	16,664
Dividend paid	-	-	(855)	(855)
Share Option Expenses	-	211	-	211
Comprehensive loss	-	-	(341)	(341)
Balance as at 31 December 2008	13,708	234	1,737	15,679
Shares issued pursuant to Share options exercised	520	-	-	520
Exercise and cancellation of share option	221	(221)	-	-
Share Option Expenses	-	347	-	347
Comprehensive loss	-	-	(506)	(506)
Balance as at 31 December 2009	14,449	360	1,231	16,040

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Ordinary Shares	Share Option Scheme ("ESOS")
Balance as at 31 December 2008	341,482,344	34,965,000
Option cancelled during the year	-	(913,000)
Option exercised during the year	13,014,000	(13,014,000)
Balance as at 31 December 2009	354,496,344	21,038,000

The total number of shares are as follows:

Date ESOS Grant	Exercise Period	Exercise Price	ESOS outstanding as at 30.12.2008	ESOS outstanding as at 31.12.2009
11.9.2006	11.9.2007 to 10.9.2017	S\$0.13	901,000	816,000
25.08.2008	25.08.2009 to 25.08.2019	S\$0.04	27,564,000	18,422,000
25.08.2008	25.08.2009 to 25.08.2014	S\$0.04	6,500,000	1,800,000

As at 31 December 2009, there are a total of 106,348,901 outstanding warrants to be exercised from 14 April 2010 to 11 October 2012. The exercise price for the warrants is S\$0.02.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	FY 2009	FY 2008
Beginning of financial year	341,482,344	341,482,344
Shares issued pursuant to Share options exercised	13,014,000	-
End of financial year	354,496,344	341,482,344

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

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

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

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

Save as disclosed in point 5 below, the Group has applied the same accounting policies and methods of computation as in the Group's most recently audited financial statements for the financial year ended 31 December 2008.

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

In the current year, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009. 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 amended FRS that are relevant to the Group:

FRS 1 (Revised)	Presentation of Financial Statements
FRS 23 (Revised)	Borrowing Costs
FRS 108	Operating Segments

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	FY 2009	FY 2008
Earnings per ordinary share of the group		
Based on weighted average number of ordinary shares on issue (cents)	0.27	0.23
Weighted average number of ordinary shares	344,967,319	341,482,344
Based on a fully diluted basis	0.27	0.23
Issued share capital at the end of	354,496,344	341,482,344

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares, of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group	
	31 December 2009	31 December 2008
Net asset value per ordinary share based on issued share capital at the end of:	6.49	6.20
No. of shares used in computation of net assets per share	354,496,344	341,482,344

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Group Revenue	\$'000	\$'000	%
	FY 2009	FY 2008	Increase/ (Decrease)
Project Sales	48,171	42,532	13.3%
Project Management and Maintenance Services	7,754	5,404	43.5%
Total Group	55,925	47,936	16.7%

Gross Profit	\$'000	\$'000	%
	FY 2009	FY 2008	Increase/ (Decrease)
Project Sales	5,385	2,172	147.9%
Project Management and Maintenance Services	1,913	4,481	(57.3%)
Total Group	7,298	6,653	9.7%

(a) **Overview**

Group revenue for FY 2009 was \$55.9 million, an increase of 16.7% or \$8.0 million over the previous corresponding year. The timely completion of several major projects resulted in the increase in revenue. Group net profit before tax was \$1.0 million for the year reported, an increase of 47.0% compared to the corresponding year.

(b) **Revenue**

Project Sales recorded an increase in revenue by 13.3% or \$5.6 million over the previous corresponding year. Despite the challenges faced in this difficult year, the Group was able to record a healthy growth in revenue. The increase in revenue reflects the confidence of our valued customers in the Group.

The performance in Project Management and Maintenance Services improved by 43.5% or \$2.4 million. This improvement is due to renewal of contracts by existing customers and project management services rendered by one of our overseas subsidiary.

(c) **Profitability**

Gross profit for Project Sales increased by 147.9% to \$5.4 million compared to \$2.2 million in the previous corresponding year. The increase in the profit contribution from Project Sales was mainly due to the decrease in finance cost, the majority of which were accounted for in previous year under FRS 39.

Gross profit for Project Management and Maintenance Services decrease by 57.3% or \$2.6 million. This was mainly attributable to lower margins from project management services provided by an overseas subsidiary. Overall, the contribution for the project management maintained a healthy margin of 25%.

Equipment and consumables recorded an increase of 26.3% which is in line with the revenue growth.

Freightage recorded a decrease of 24.4% due mainly to the consolidation of shipment and economical of scale, where more competitive rates are available for projects with higher export value

Commission and consultancy recorded a decrease of 63.5% as a result of cost control measures and the support of Government Financing Scheme.

Changes in inventories and contract work-in-progress recorded an increase of 57.6 %, this increase is due mainly to the recognition of the respective costs for projects that were in progress during the previous financial year.

Others:-

- Employee Compensation recorded a decrease of 6.0% due mainly to the freeze in salaries and recruitment of new staff;
- The substantial increase in Foreign exchange loss was due to the strengthening of S\$ against US\$;
- Other operating expenses increased by 109.0% due mainly to the provision of stock obsolescence and receivables from one of our subsidiary.

(d) **Balance Sheet**

The increase in current trade and other receivables was mainly due to the completion of several major projects where the collection of the receivables is over a period of 18 months to 5 years secured by Export Letters of Credit with financial institutions. The decrease in the long term trade receivables was mainly due to successful collections from the MRTV project in Myanmar according to the payment schedule.

Similarly, trade and other payables increased with the completion of several major projects. Payables for the projects in Vietnam and Myanmar are supported by a back-to-back arrangement against receipts from both Vietnam and Myanmar, with financial institutions in Singapore.

The decrease in contract work-in-progress was mainly due to the recognition of project costs incurred in the previous financial year and recognized in the current financial year upon completion of the projects.

The increase in borrowings for both current and non-current were mainly attributed to the granting of the bridging loan offered by the government-aided financing scheme.

Non-current trade and other receivables recorded a decrease due to the partial settlement from the Myanmar projects which are settled from Export Letters of Credits up to 5 years.

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

Not applicable.

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

Business conditions are expected to remain challenging and competitive for the next 12 months.

Outstanding order book as at 31 December 2009 is \$46.8 million, the majority of which is expected to be completed in FY 2010.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	Interim	Final
Dividend Type	-	Cash / Scrip (See Below)
Dividend Amount per Share (shares)	-	0.2 cents
Optional: Dividend Rate (in %)	-	-
Tax Rate	-	Tax Exempt (One tier)

The Scrip Dividend Scheme (approved at the Special General Meeting held on 12 February 2010) will be applicable to the Final Dividend (the "Dividend"). The Scrip Dividend Scheme would provide shareholders with the option of:

- (i) receiving the Dividend in cash on his existing Shares held;
- (ii) receiving an allotment of Dividend Shares credited as fully paid in lieu of the cash amount of the Dividend entitlement; and
- (iii) receiving the Dividend in cash in relation to a portion of his existing Shares held and the balance in the form of Dividend Shares, credited as fully paid.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

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

(c) Date payable

To be advised.

(d) Books closure date

To be advised.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Group Revenue	\$'000	\$'000	%
	FY 2009	FY 2008	Increase/ (Decrease)
Singapore	9,268	6,232	48.7%
Myanmar (Fully supported by Export Letter of Credit)	2,934	12,714	(76.9%)
Vietnam (Substantially supported by Export Letter of Credit)	34,714	23,707	46.4%
Others	9,009	5,283	70.5%
Total Group	55,925	47,936	16.7%

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Paragraph 8 for explanation on business segmentation

- 15. A breakdown of sales.**

Please refer to Paragraph 8 for explanation on business segmentation

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

Total Annual Dividend

	Latest Full Year (FY2009)	Previous Full Year (FY2008)
Ordinary	708,992.69	-
Preference	-	-
Total:	708,992.69 (see note below)	-

The total dividend payout is up to a maximum of S\$708,992.69 based on the current shares of 354,496,344. Certain shareholders may opt for the Dividend Shares which was approved on 12 February 2010 at a Special General Meeting.

- 17. Interested Person Transactions**

No interested party transactions for FY 2009

BY ORDER OF THE BOARD

Jimmy Chang Joo Whut
Managing Director
1 March 2010

*This announcement 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 announcement including the correctness of any of the figures used, statements or opinions made.*

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

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