

NTEGRATOR INTERNATIONAL LIMITED

(Co. Regn. No: 199904281D)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2008**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS****1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group Income Statement for Full-Year ended 31 December 2008. These figures have not been audited.

	Group		
	S\$'000		%
	Full-Year Ended 31 Dec 2008	Full-Year Ended 31 Dec 2007	Increase/ (Decrease)
Revenue	47,936	39,977	19.9%
Other income	1,712	1,216	40.8%
Equipment and consumables used	(35,661)	(29,478)	21.0%
Employee compensation	(4,583)	(5,023)	(8.8%)
Freight	(808)	(1,165)	(30.6%)
Commission and consultancy	(3,816)	(1,821)	109.6%
Depreciation of plant and equipment	(208)	(318)	(34.6%)
Foreign exchange loss, net	(12)	(706)	(98.3%)
Finance	(491)	(424)	15.8%
Other	(2,407)	(1,770)	36.0%
Changes in inventories and contract work-in-progress	(998)	2,383	(141.9%)
	(48,984)	(38,322)	27.8%
Profit before income tax	664	2,871	(76.9%)
Income tax	(29)	(708)	(95.9%)
Net profit for the financial year	635	2,163	(70.6%)
Attributable to:			
Shareholders of the Company	773	2,280	(66.1%)
Minority interests	(138)	(117)	17.9%
Net profit for the financial year	635	2,163	(70.6%)
Earning per share (cents)			
- Basic	0.23	1.3	
- Diluted	0.23	1.3	

Note: 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	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Investment in subsidiaries	-	-	12,000	6,000
Plant and equipment	178	308	-	-
Intangible assets	1,491	1,204	-	-
Deferred expenditure	-	50	-	50
Trade and other receivables	17,794	11,887	-	-
	19,463	13,449	12,000	6,050
Current assets				
Stocks	2,689	2,637	-	-
Contract work-in-progress	5,629	6,084	-	-
Trade and other receivables	32,707	24,411	4,066	7,126
Other current assets	4,272	1,108	41	28
Cash and cash equivalents	2,691	6,044	13	3,860
	67,451	53,733	16,120	17,064
Current liabilities				
Contract work-in-progress	596	1	-	-
Trade and other payables	42,854	26,998	433	390
Borrowings	2,480	4,811	-	-
Income tax payable	276	633	8	10
	46,206	32,443	441	400
Net current assets	21,245	21,290	15,679	16,664
Non-current liabilities				
Finance lease liabilities	(14)	(19)	-	-
Deferred tax liabilities	(59)	(59)	-	-
	(73)	(78)	-	-
Net assets	21,172	21,212	15,679	16,664
Equity				
Issued share capital	13,708	13,708	13,708	13,708
Employee share option reserve	234	23	234	23
Foreign currency translation reserve	(20)	(13)	-	-
Retained profits	7,248	7,330	1,737	2,933
	21,170	21,048	15,679	16,664
Minority interests	2	164	-	-
Total equity and minority interest	21,172	21,212	15,679	16,664

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 2008		As at 31 December 2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	2,480	-	4,811

Amount repayable after one year

As at 31 December 2008		As at 31 December 2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	14	-	19

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	
	Full-Year Ended 31 Dec 2008	Full-Year Ended 31 Dec 2007
Cash flow from operating activities:		
Net Profit	635	2,163
Adjustments for:		
Income tax expense	29	708
Depreciation of plant and equipment	208	318
Loss on disposals of plant and equipment	-	7
Share Option Expenses	211	93
Interest expense	491	424
Interest income	(13)	(14)
Foreign currency translation differences	82	81
Loss on investment of subsidiary	(25)	62
	1,618	3,842
(Increase)/ decrease in stocks and contract work-in-progress	998	(2,383)
Increase in trade and other receivables	(17,366)	(13,159)
Increase in trade and other payables	15,856	10,531
Deferred expenditure	50	(50)
Cash generated (used in)/ from operations:	1,156	(1,219)
Interest received	13	14
Interest paid	(491)	(424)
Income tax paid	(385)	(398)
Net cashflows (used in)/from operating activities	293	(2,027)
Cash flow from investing activities:		
Purchase of plant and equipment	(79)	(179)
Payment for Intangible assets	(376)	(482)
Net cashflows used in investing activities	(455)	(661)
Cash flow from financing activities:		
Proceeds/(repayment) from loan from financial institution	(782)	1,696
Repayment of finance leases	(5)	(4)
Proceeds from issuance of share capital by the Company		4,223
Dividend paid	(855)	(801)
Net cash flows from/(used in) financing activities	(1,642)	5,114
Net (decrease)/increase in cash and cash equivalents	(1,804)	2,426
Cash and cash equivalents at beginning of financial year	2,964	538
Cash and cash equivalents at end of financial year	1,160	2,964

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 2006 and 1 January 2007	9,379	41	(26)	5,846	15,240	281	15,521
Net Profit for the financial year	-	-	13	2,280	2,293	(117)	2,176
Dividend Paid	-	-	-	(801)	(801)	-	(801)
Share Option Expense	-	93	-	-	93	-	93
Exercise and cancellation of Share Option	793	(111)	-	5	687	-	687
Share issued pursuant to rights issue	3,841	-	-	-	3,841	-	3,841
Rights issues expenses	(305)	-	-	-	(305)	-	(305)
Balance as at 31 December 2007 and 1 January 2008	13,708	23	(13)	7,330	21,048	164	21,212
Currency Translation Differences	-	-	(7)	-	(7)	-	(7)
Net Profit for the financial year	-	-	-	773	773	(138)	635
Dividend Paid	-	-	-	(855)	(855)	-	(855)
Share Option Expense	-	211	-	-	211	-	211
Adjustment to Minority Interest						(24)	(24)
Balance as at 31 December 2008	13,708	234	(20)	7,248	21,170	2	21,172

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 2006 and 1 January 2007	9,379	41	2,527	11,947
Adoption of Companies (Amendment) Act 2005	4,329	-	-	4,329
Share Option Expenses	-	(18)	-	(18)
Dividend Paid	-	-	(801)	(801)
Net Profit for the financial year	-	-	1,207	1,207
Balance as at 31 December 2007 and 1 January 2008	13,708	23	2,933	16,664
Dividend paid	-	-	(855)	(855)
Share Option Expense	-	211	-	211
Net Profit for the financial year	-	-	(341)	(341)
Balance as at 31 December 2008	13,708	234	1,737	15,679

- 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 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 2007	341,482,344	1,164,000
Option cancelled during the year	-	(1,335,000)
Share option issued during the year	-	35,136,000
Balance as at 31 December 2008	341,482,344	34,965,000

The total number of shares are as follows:

Date ESOS Grant	Exercise Period	Exercise Price	ESOS outstanding as at 31.12.2008	ESOS outstanding as at 31.12.2007
11.9.2006	11.9.2006 to 10.9.2017	S\$0.13	901,000	1,164,000
11.9.2006	11.9.2006 to 10.9.2012	S\$0.13	-	-
25.08.2008	25.08.2008 to 25.08.2019	S\$0.04	27,564,000	-
25.08.2008	25.08.2008 to 25.08.2014	S\$0.04	6,500,000	-

- 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 2008	FY 2007
Balance as at 1 January	341,482,344	80,088,586
Exercise of shares option	-	5,282,000
Issuance of Rights Share	-	256,111,758
Balance as at 31 December	341,482,344	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.**

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.**

Not applicable.

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 2008	FY 2007
Earnings per ordinary share of the group		
Based on weighted average number of ordinary shares on issue (cents)	0.23	1.3
Weighted average number of ordinary shares	341,482,344	179,422,000

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

	Group	
	31 December 2008	31 December 2007
Net asset value per ordinary share based on issued share capital at the end of:		
	6.20	11.82
No. of shares used in computation of net assets per share	341,482,344	179,422,000

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 2008	FY 2007	Increase/ (Decrease)
Project Sales	42,532	37,841	12.4%
Project Management and Maintenance Services	5,404	2,136	153.0%
Total Group	47,936	39,977	19.9%

Gross Profit	\$'000	\$'000	%
	FY 2008	FY 2007	Increase/ (Decrease)
Project Sales	2,172	8,744	(75.2%)
Project Management and Maintenance Services	4,481	1,151	289.3%
Total Group	6,653	9,895	(32.8%)

(a) Overview

The second half of FY2008 has been a particularly challenging one. The rapid deterioration and subsequent freezing of the credit market after September have created major impact and disruption to our business. Although Group revenue has increased by \$8.0 million or 19.9% to \$47.9 million for the year, the impact of the financial uncertainties has resulted in a significant reduction in our profitability for the full year.

(b) Revenue

Project Sales recorded an increase of revenue to \$42.5 million (an increase of \$4.7 million or 12.4%) largely due to the completion of several major projects in Vietnam and Singapore and also a substantial completion of the MRTV project in Myanmar which was secured in 2007.

Revenue in Project Management and Maintenance Services increased to \$5.4 million (an increase of \$3.3 million or 153.0%), largely due to the increase in sales of such services in one of our overseas subsidiary.

(c) Profitability

Gross profit for Project Sales decreased by 75.2% to \$2.2 million for the financial year. This decline was mainly due to the unprecedented financial turmoil encountered in the second half of the year. The factors included:

- Cost of borrowings increased due to the longer time needed to secure facilities to service orders.
- Longer time meant a delay in our ability to meet customer demand on time.
- For projects outside of Singapore, this result in higher consulting fees, marketing costs, etc. as we negotiate with customers to accept delays, thereby reducing probability of liquidated damages and allowing more time to seek financing to support the projects.
- Additional costs were incurred for projects tendered earlier based on fixed exchange rate and where it was awarded later during the most serious period of the financial uncertainties. This additional cost impact included:
 - i. Fluctuation or changes in exchange rate differences resulting in higher buying cost
 - ii. Additional and new insurance coverage fees needed to meet banker's demands before lending are approved
 - iii. Facilities fees due to arranging for specific project financing

- In addition, credit from suppliers, principals and sub-contractors were constantly reviewed and withdrawn, resulting in additional costs upfront.
- Similarly, credit from banks were in short supply and costs were further increased when credit terms were subjected to new reviews and policy changes especially during the critical period of the financial uncertainties.
- In addition, expenses incurred for 2 failed acquisitions in the year were also taken up.

Gross profit for Project Management and Maintenance Services increased by 289.3% or \$3.3 million for the financial year. The increase was however not substantial to mitigate the additional cost incurred.

The Group's operating costs decreased by 6.6% or \$0.5 million due to the followings:-

- Staff costs decreased by 8.8% or \$0.4 million. This was mainly due to our restructuring exercise and freeze of headcount.
- Depreciation decreased by 34.6% or \$0.1 million as the majority of assets have been fully depreciated.
- Foreign Exchange Loss decreased by \$0.7 million due to the strengthening of US\$ vs S\$ during the end of the financial year.
- Finance costs increased by 15.8% or \$0.1 million mainly due to the increase in interest rates and also the Group borrowings from financial institution for its working capital requirements.

(d) Balance Sheet

The increase in Intangible assets is mainly attributable to the joint development of the carpark management system with our Israeli and Singapore partners.

The increase in Trade receivables was mainly due to the completion of several major projects towards the end of the financial year and the substantial completion of the MRTV project in Myanmar where the collection of the receivables is over a period of 5 years secured by a Export Letter of Credit with a financial institution.

Similarly, Trade payables increased with the completion of several major projects towards the end of the financial year. Payables for the MRTV project are supported by a back-to-back arrangement against receipts from Myanmar, with a financial institution in Singapore.

The decrease in Cash and cash equivalent is mainly due to the repayment of the loan and overdraft to financial institution. Similarly, the borrowings have decreased due to the repayment.

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 will continue to remain challenging. In light of the significant changes in the financial landscape, the Group is adapting and making changes to meet the challenges ahead. Our key focus for the year will be on our business units in Singapore and Indochina.

The outstanding order book as at 31 December 2008 stood at S\$37 million, much of which is expected to be completed in FY 2009.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim	Final
Dividend Type	-	Cash
Dividend Amount per Share (in cents)	-	1.0 cents
Optional:- Dividend Rate (in %)	-	-
Tax Rate	-	Tax exempt (One tier)

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Due to the current financial crisis, the Group is in the view of conserving cash to meet the challenge in the immediate financial year.

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 2008	FY 2007	Increase/ (Decrease)
Singapore	6,232	12,599	(50.5%)
Myanmar (Fully supported by Export Letter of Credit)	12,714	16,648	(23.6%)
Vietnam (Substantially supported by Export Letter of Credit)	23,707	9,156	158.9%
Others	5,283	1,574	235.6%
Total Group	47,936	39,977	19.9%

- 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.

- 15. A breakdown of sales.**

Please refer to paragraph 8.

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

	Latest Full Year (FY 2008)	Previous Full Year (FY 2007)
Ordinary	0	853,705
Preference	0	0
Total:	0	853,705

- 17. Interested Person Transactions**

Not applicable

BY ORDER OF THE BOARD

Jimmy Chang Joo Whut
Managing Director
23 February 2009