

**NTEGRATOR INTERNATIONAL LIMITED**

(Co. Regn. No: 199904281D)

**HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2008****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF 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 HY 2008. These figures have not been audited.

	Group		
	S\$'000		%
	HY2008	HY 2007	Increase/ (Decrease)
Revenue	21,338	13,840	54.2%
Interest income	344	396	(13.1%)
Changes in stocks and contract work-in-progress	3,236	192	n.m
Equipment and consumables used	(18,473)	(9,350)	97.5%
Freight costs	(625)	(277)	125.6%
Commission and consultancy expenses	(359)	(261)	37.5%
Staff costs	(2,164)	(2,657)	(18.6%)
Depreciation of plant and equipment	(121)	(211)	(42.7%)
Foreign exchange translation (loss)/gain, net	(655)	32	n.m.
Finance costs	(223)	(117)	90.6%
Other operating expenses	(1,032)	(743)	38.9%
	(20,072)	(12,996)	54.5%
<b>Profit before income tax</b>	<b>1,266</b>	<b>844</b>	<b>50.0%</b>
Income tax	(236)	(259)	(8.9%)
<b>Net profit for the financial period</b>	<b>1,030</b>	<b>585</b>	<b>76.1%</b>
<b>Attributable to:</b>			
Shareholders of the Company	1,140	622	83.3%
Minority interests	(110)	(37)	197.3%
<b>Net profit for the financial period</b>	<b>1,030</b>	<b>585</b>	<b>76.1%</b>

n.m. : not meaningful

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	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	6,000	6,000
Property, plant and equipment	210	308	-	-
Intangible assets	1,151	1,204	-	-
Deferred expenditure	105	50	105	50
Trade and other receivables	17,211	11,887	-	-
	18,677	13,449	6,105	6,050
<b>Current assets</b>				
Inventories	2,742	2,637	-	-
Contract work-in-progress	9,355	6,084	-	-
Trade and other receivables	26,256	24,411	8,723	7,126
Other current assets	831	1,108	32	28
Cash and cash equivalents	1,403	6,044	11	3,860
	40,587	40,284	8,766	11,014
<b>Current liabilities</b>				
Contract work-in-progress	142	1	-	-
Trade and other payables	33,875	26,998	166	390
Borrowings	3,027	4,811	-	-
Current income tax liabilities	765	633	8	10
	37,809	32,443	174	400
<b>Net current assets</b>	2,778	7,841	8,592	10,614
<b>Non-current liabilities</b>				
Finance lease liabilities	(17)	(19)	-	-
Deferred tax liabilities	(59)	(59)	-	-
	(76)	(78)	-	-
<b>Net assets</b>	21,379	21,212	14,697	16,664
<b>Equity</b>				
Issued share capital	13,708	13,708	13,708	13,708
Employee share option reserve	23	23	23	23
Foreign currency translation reserve	(22)	(13)	-	-
Retained profits	7,616	7,330	9667	2,933
	21,325	21,048	14,697	16,664
Minority interests	54	164	-	-
<b>Total equity and minority interest</b>	21,379	21,212	14,697	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 30 June 2008		As at 31 December 2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	3,022	-	3,306

**Amount repayable after one year**

As at 30 June 2008		As at 31 December 2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

**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	
	HY2008	HY2007
<b>Cash flow from operating activities:</b>		
Profit after income tax	1,266	844
Adjustments for:		
Depreciation of plant and equipment	121	211
Loss on disposals of plant and equipment	-	2
Interest expense	223	117
Interest income	(5)	(2)
Amortisation of bills receivable	(339)	(388)
Foreign currency translation differences	44	17
(Increase)/ decrease in stocks and contract work-in-progress	(3,236)	(192)
Increase in trade and other receivables	(6,551)	(3,599)
Increase in trade and other payables	6,822	1,479
<b>Cash generated (used in)/ from operations</b>	<b>(1,655)</b>	<b>(1,511)</b>
Interest received	5	2
Interest paid	(223)	(117)
Income tax paid	(104)	(324)
Net cashflows (used in)/from operating activities	(1,977)	(1,950)
<b>Cash flow from investing activities:</b>		
Purchase of plant and equipment	(24)	(102)
Payment for Intangible assets	-	(28)
Net cashflows used in investing activities	(24)	(130)
<b>Cash flow from financing activities:</b>		
Proceeds/(repayment) from loan from financial institution	(811)	2,037
Repayment of finance leases	(2)	(2)
Dividend paid	(854)	(801)
Net cash flows from/(used in) financing activities	(1,667)	1,234
Net (decrease)/increase in cash and cash equivalents	(3,668)	(846)
Cash and cash equivalents at beginning of financial period	2,964	538
<b>Cash and cash equivalents at end of financial period</b>	<b>(704)</b>	<b>(308)</b>

**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	Share premium	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	S\$'000	\$'000
Balance as at 31 December 2006 and 1 January 2007	9,379	-	41	(26)	5,846	15,240	281	15,521
Dividend Paid	-	-	-	-	(801)	(801)	-	(801)
Exercised of Share Option	793	-	(111)	-	5	687	-	687
Share Option Expenses	-	-	93	-	-	93	-	93
Issuance of rights share	3,841	-	-	-	-	3,841	-	3,841
Rights issues expenses	(305)	-	-	-	-	(305)	-	(305)
Net Profit for the financial year	-	-	-	13	2,280	2,293	(117)	2,176
Balance as at 31 December 2007	13,708	-	23	(13)	7,330	21,048	164	21,212
Dividend Paid	-	-	-	-	(854)	(854)	-	(854)
Net Profit for the period	-	-	-	(9)	1,140	1,131	(110)	1,021
Balance as at 30 June 2008	13,708	-	23	(22)	7,616	21,325	54	21,379

Company	Issued Share capital	Share premium	Employee Share Option Reserve	Retained Profit	Equity attributable to shareholders of the Company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 31 December 2006 and 1 January 2006	9,379	-	41	2,527	11,947
Dividend paid	-	-	-	(801)	(801)
Exercised of Share Option	793	-	(111)	5	687
Issuance of rights issue	3,841	-	-	-	3,841
Share Option Expenses	-	-	93	-	93
Rights issue expenses	(305)	-	-	-	(305)
Net Profit for the financial year	-	-	-	1,202	1,202
Balance as at 31 December 2007	13,708	-	23	2,933	16,664
Dividend paid	-	-	-	(854)	(854)
Net Profit for the period	-	-	-	(1,113)	(1,113)
Balance as at 30 June 2008	13,708	-	23	966	14,697

**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 2006	80,088,586	6,717,000
Exercise of shares option	5,282,000	(5,282,000)
Option cancelled during the year	-	(271,000)
Issuance of Rights share	256,111,758	-
Balance as at 31 December 2007	341,482,344	1,164,000
Balance as at 30 June 2008	341,482,344	1,164,000

The total number of shares are as follows:

Date ESOS Grant	Exercise Period	Exercise Price	ESOS outstanding as at 30.12.2007	ESOS outstanding as at 30.06.2008
11.9.2006	11.9.2007 to 10.9.2017	S\$0.13	1,164,000	1,164,000

**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.**

	<b>HY 2008</b>	<b>FY 2007</b>
Beginning of financial period	341,482,344	80,088,586
Exercise of shares option	-	5,282,000
Issuance of Rights Share	-	256,111,758
End of financial period	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 2007.**

**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.**

	<b>Group</b>	
	<b>HY 2008</b>	<b>HY 2007</b>
Earnings per ordinary share of the group		
Based on weighted average number of ordinary shares on issue (cents)	0.33	18.37
Weighted average number of ordinary shares	341,482,344	83,436,586

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	
	30 June 2008	31 December 2007
Net asset value per ordinary share based on issued share capital at the end of:	6.26	19.41
No. of shares used in computation of net assets per share	341,482,344	109,303,141

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	%
	HY 2008	HY 2007	Increase/ (Decrease)
Project Sales	20,140	12,975	55.2%
Project Management and Maintenance Services	1,198	864	38.7%
<b>Total Group</b>	<b>21,338</b>	<b>13,839</b>	<b>54.2%</b>

Gross Profit	\$'000	\$'000	%
	HY 2008	HY 2007	Increase/ (Decrease)
Project Sales	4,441	3,560	24.7%
Project Management and Maintenance Services	676	584	15.7%
<b>Total Group</b>	<b>5,117</b>	<b>4,144</b>	<b>23.5%</b>



(a) **Overview**

Group revenue for HY 2008 was \$21.3 million, an increase of 54.2% or \$7.5 million over the previous corresponding period. Completion of projects in accordance to schedule in Vietnam, Singapore, Cambodia and Myanmar contributed to the 76.1% or S\$0.5 million increased in Group Net Profit After Tax.

(b) **Revenue**

Project Sales recorded an increase in revenue by 55.2% or \$20.1 million over the previous corresponding period. The increase in revenue reflects the confidence level of our valued customers in the Group.

The performance in Project Management and Maintenance Services improved by 38.6% to \$1.2 million. This improvement is due to renewal of contracts by existing customers and new customers acquired, amidst the competitive market.

(c) **Profitability**

Gross profit for Project Sales increased by 24.7% to \$4.4 million compared to \$3.6 million in the previous corresponding period. The increase in the profit contribution from Project Sales was mainly due to the completion of projects in Vietnam, Singapore, Cambodia and Myanmar.

Gross profit for Project Management and Maintenance Services increased by 23.5% to \$0.7 million for the period. This was mainly due to the increase in maintenance services contracts with existing and new customers by renewing their contracts secured by the Group.

The increased in equipment and consumables used, freight cost and commission and consultancy expenses are in line with the revenue increased for the Group.

Overall, despite increased competitive market conditions and higher operating costs, the Group recorded Gross Profit of \$5.1 million for the period, 23.5% higher compared to \$4.1 million in the previous corresponding period.

The Group's operating costs increased by \$0.5 million due to the following:-

- Foreign Exchange Loss increased by \$0.7 million due to the weakening of US\$ vs S\$ in the first six months resulting in a foreign currency loss.
- Finance costs increased by \$0.1 million mainly due to the Group borrowings from financial institution to meet working capital requirements; and
- Other operating expenses increased by \$0.3 million.

These increases were offset by lower depreciation charges and a 18.5% reduction in staff costs due to the completion of one project which required more manpower.

(d) Balance Sheet

The increase in Trade receivables was mainly due to the completion of several major projects in Vietnam and Myanmar where the collection of the receivables is over a period of 2 to 5 years secured by a Export Letter of Credit with a financial institution.

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

The increase in Contract Work-in-progress was mainly due to the cost incurred for projects which were not completed by the end of the reporting period. Recognition of the remaining costs and revenue are expected to be in the current financial year.

Reduction in borrowings and cash and cash equivalents was mainly due to repayment of bank borrowings.

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 positive, though challenging and competitive, in the current period.**

**Outstanding order book as at 8 August 2008 is \$25.4 million, the majority of which is expected to be completed in FY 2008.**

11. **Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

**Not applicable**

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

**Not applicable**

**(c) Date payable**

**Not applicable**

**(d) Books closure date**

**Not applicable**

12. **If no dividend has been declared/recommendeded, 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.**

**Not applicable**

- 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.**

**Not applicable**

- 15. A breakdown of sales.**

**Not applicable**

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

**Not applicable**

- 17. Interested Person Transactions**

**Not applicable**

**18. Use of IPO Proceeds**

As at 31 December 2007, we have used \$2.6 million from our IPO proceeds and a balance of \$0.7 million which is illustrated below:-

<b>Items</b>	<b>S\$'000</b>	<b>S\$'000</b>
Gross Proceed	4,623	
IPO Expenses	(1,359)	
<b>Net IPO Proceeds</b>	<hr/>	<b>3,264</b>
<b>Application of IPO Proceeds to the Group</b>		
1. <u>Local and Overseas Operations</u>		
Increase in investment in Ntegrator Malaysia	(199)	
Increase in investment in Ntegrator Thailand	(130)	
Increase in staff strength for expansion	(704)	
Renovation of additional office space	(138)	
Purchase of office equipment and demo equipment	(358)	
Research & development	(173)	
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	(1,702)	
2. <u>Finance Acquisition, strategic Partnerships and Joint Ventures</u>		
Expenses used in feasibility studies on the potential of overseas & local investment, strategic partnerships and joint ventures	(1,000)	
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	(1,000)	
3. <u>Working Capital</u>		
Increase in Rep office, marketing expenses, overseas traveling including trade fair etc.	(495)	
Deposit & rental for additional office space	(67)	
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	(562)	
<b>Total Application of Proceeds</b>		<b>(3,264)</b>
<b>Balance of IPO Proceeds</b>		<hr/> <hr/> <b>0</b>

The Group had utilised approximately of \$1.7 million instead of \$2.0 million from the IPO proceeds for the expansion of our local and overseas operations through the increase of staff strength, enlarging our existing office premises and purchasing or upgrading of demonstration and office equipment. The balance was used as general working capital for our Group.

We have used approximately of \$1.0 million was used for feasibility studies for acquisition, strategic partnerships and/or joint ventures opportunities.

**19. Use of Rights Issues Proceeds**

As at 31 December 2007, we have net proceeds from our Rights Issues which is illustrated below:-

<b>Items</b>	<b>S\$'000</b>	<b>S\$'000</b>
Gross Proceed	<b>3,841</b>	
Rights Issue Expenses	<b>(306)</b>	
<b>Net Rights Issue Proceeds</b>	<hr/>	<b>3,535</b>
<b>Application of Rights Issue Proceeds to the Group</b>		
1. <u>Local and Overseas Operations</u>		
Research & development	(144)	
Purchase of fixed assets	(45)	
Purchase of stock	(154)	
Purchase of equipment for projects	(1,692)	
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	(2,035)	
2. <u>Working Capital / Repayment of Loan</u>		
Repayment of Bank Borrowings	(1,500)	
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	(1,500)	
<b>Balance of Rights Issues Proceeds</b>		<hr/> <b>(3,535)</b> <b>0</b>

BY ORDER OF THE BOARD

Jimmy Chang Joo Whut  
 Managing Director  
 8 August 2008

**Statement Pursuant to Rule 705(4) of the Listing Manual of the Singapore Stock Exchange Securities Trading Limited**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of Ntegrator International Limited for the half year ended 30 June 2008, to be false or misleading in any material aspect.

On Behalf of the Board of Directors

Chang Joo Whut  
Managing Director

Han Meng Siew  
Deputy Chairman

8 August 2008