

NTEGRATOR INTERNATIONAL LIMITED

(Co. Regn. No: 199904281D)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2007**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 2007. These figures have not been audited.

	Group		%
	S\$'000		
	Full-Year Ended 31 Dec 2007	Full-Year Ended 31 Dec 2006	Increase/ (Decrease)
Revenue	39,977	27,030	47.9%
Interest income	1,216	462	163.2%
Changes in stocks and contract work-in-progress	2,382	4,897	(51.4%)
Equipment and consumables used	(29,478)	(22,418)	31.5%
Freight costs	(1,165)	(876)	33.0%
Commission and consultancy expenses	(1,821)	(922)	97.5%
Staff costs	(5,023)	(3,240)	55.0%
Depreciation of plant and equipment	(317)	(218)	45.4%
Foreign exchange translation (loss)/gain, net	(706)	(633)	11.5%
Finance costs	(424)	(235)	80.4%
Other operating expenses	(1,770)	(1,855)	(4.6%)
	(37,106)	(25,038)	48.2%
Profit before income tax	2,871	1,992	44.1%
Income tax	(708)	(304)	133.2%
Net profit for the financial year	2,163	1,688	28.1%
Attributable to:			
Shareholders of the Company	2,280	1,736	31.3%
Minority interests	(117)	(48)	143.8%
Net profit for the financial year	2,163	1,688	28.1%
Earning per share (cents)			
- Basic	2.1	2.1	
- Diluted	2.1	2.1	

Note: The company's subsidiary in Singapore has been granted the development and expansion incentive ("DEI") under the Regional Headquarters Award by the Economic Development Board ("EDB") for a period of three years from 1 April 2005. Under the DEI, the subsidiary's qualifying income is taxed at a concessionary rate of 15%.

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.

Note	Group		Company	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Investment in subsidiaries	-	-	6,000	6,000
Plant and equipment	308	503	-	-
Intangible assets	1,204	802	-	-
Deferred expenditure	50	-	50	-
Deferred tax assets	-	42	-	-
Cash and cash equivalents	-	-	-	-
Trade receivables	11,887	6,975	-	-
	13,449	8,322	6,050	6,000
Current assets				
Stocks	2,637	2,626	-	-
Contract work-in-progress	6,084	3,946	-	-
Trade receivables	24,184	16,471	-	-
Other receivables	1,335	801	5,964	3,757
Loan due from a subsidiary	-	-	1,190	2,510
Cash and cash equivalents	6,044	1,532	3,860	11
	40,284	25,376	11,014	6,278
Current liabilities				
Contract work-in-progress	1	235	-	-
Trade payables	26,352	15,899	115	53
Other payables	689	419	386	278
Deferred revenue	81	149	-	-
Finance lease liabilities	5	4	-	-
Interest bearing loans and borrowings	4,806	1,024	-	-
Income tax payable	633	364	10	-
	32,567	18,094	511	331
Net current assets	7,717	7,282	10,503	5,947
Non-current liabilities				
Finance lease liabilities	(19)	(24)	-	-
Deferred tax liabilities	(59)	(59)	-	-
	(78)	(83)	-	-
Net assets	21,088	15,521	16,553	11,947
Equity				
Issued share capital	13,602	9,379	13,602	9,379
Share premium	-	-	-	-
Employee share option reserve	23	41	23	41
Foreign currency translation reserve	(13)	(26)	-	-
Retained profits	7,312	5,846	2,928	2,527
	20,924	15,240	16,553	11,947
Minority interests	164	281	-	-
Total equity and minority interest	21,088	15,521	16,553	11,947

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 2007		As at 31 December 2006	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	3,306	-	1,024

Amount repayable after one year

As at 31 December 2007		As at 31 December 2006	
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	
	Full-Year Ended 31 Dec 2007	Full-Year Ended 31 Dec 2006
Cash flow from operating activities:		
Profit before income tax	2,871	1,992
Adjustments for:		
Depreciation of plant and equipment	317	218
Loss on disposals of plant and equipment	7	16
Share Option Expenses	(18)	41
Interest expense	424	235
Interest income	(14)	(36)
Foreign currency translation differences	69	(4)
	3,656	2,462
(Increase)/ decrease in stocks and contract work-in-progress	(2,382)	(5,235)
Increase in trade and other receivables	(13,160)	(2,312)
Increase in trade and other payables	10,717	4,836
Cash generated (used in)/ from operations	(1,169)	(249)
Interest received	14	36
Interest paid	(424)	(235)
Income tax paid	(398)	(710)
Net cashflows (used in)/from operating activities	(1,977)	(1,158)
Cash flow from investing activities:		
Purchase of plant and equipment	(179)	(311)
Payment for Intangible assets	(482)	(724)
Net cashflows used in investing activities	(661)	(1,035)
Cash flow from financing activities:		
Proceeds/(repayment) from loan from financial institution	1,696	(115)
Repayment of finance leases	(4)	(4)
Proceeds from issuance of share capital by the Company	4,223	-
Payments for deferred expenditure	(50)	-
Decrease/(increase) in fixed deposits pledged with financial institutions	-	559
Contribution of capital by shareholder in a subsidiary	-	131
Dividend paid	(801)	(1,201)
Net cash flows from/(used in) financing activities	5,064	(630)
Net (decrease)/increase in cash and cash equivalents	2,426	(2,823)
Cash and cash equivalents at beginning of financial year	538	3,361
Cash and cash equivalents at end of financial year	2,964	538

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 2005 and 1 January 2006	8,009	1,370	-	(24)	5,311	14,666	198	14,864
Adoption of Companies (Amendment) Act 2005	1,370	(1,370)	-	-	-	-	-	-
Share Option Reserve	-	-	41	-	-	41	-	41
Dividend Paid	-	-	-	-	(1,201)	(1,201)	-	(1,201)
Net Profit for the financial year	-	-	-	(2)	1,736	1,735	83	1,818
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	687	-	(18)	-	-	669	-	669
Issuance of rights share	3,841	-	-	-	-	3,841	-	3,841
Rights issues expenses	(305)	-	-	-	-	(305)	-	(305)
Net Profit for the financial year	-	-	-	13	2,267	2,280	(117)	2,163
Balance as at 31 December 2007	13,602	-	23	(13)	7,312	20,924	164	21,088

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 2005 and 1 January 2006	8,009	1,370	-	2,727	12,106
Adoption of Companies (Amendment) Act 2005	1,370	(1,370)	-	-	-
Share Option Expenses	-	-	41	-	41
Dividend Paid	-	-	-	(1,201)	(1,201)
Net Profit for the financial year	-	-	-	1,001	1,001
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	687	-	(18)	-	669
Issuance of rights issue	3,841	-	-	-	3,841
Rights issue expenses	(305)	-	-	-	(305)
Net Profit for the financial year	-	-	-	1,202	1,202
Balance as at 31 December 2007	13,602	-	23	2,928	16,553

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

The total number of shares are as follows:

Date ESOS Grant	Exercise Period	Exercise Price	ESOS outstanding as at 31.12.2006	ESOS outstanding as at 31.12.2007
11.9.2006	11.9.2007 to 10.9.2017	S\$0.13	5,217,000	1,164,000
11.9.2006	11.9.2007 to 10.9.2012	S\$0.13	1,500,000	-

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 2007	FY 2006
Balance as at 1 January	80,088,586	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	80,088,586

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.**

	Group	
	FY 2007	FY 2006
Earnings per ordinary share of the group		
Based on weighted average number of ordinary shares on issue (cents)	2.1	2.1
Weighted average number of ordinary shares	109,303,141	82,149,692

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 2007	31 December 2006
Net asset value per ordinary share based on issued share capital at the end of:		
	19.29	18.89
No. of shares used in computation of net assets per share	109,303,141	82,149,692

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 2007	FY 2006	Increase/ (Decrease)
Network Infrastructure Projects	35,050	19,108	83.4%
Voice Communications Systems	2,791	5,794	(51.8%)
Project Management and Maintenance Services	2,136	2,128	0.4%
Total Group	39,977	27,030	47.9%

Gross Profit	\$'000	\$'000	%
	FY 2007	FY 2006	Increase/ (Decrease)
Network Infrastructure Projects	7,989	4,566	75.0%
Voice Communications Systems	755	1,786	(57.9%)
Project Management and Maintenance Services	1,151	1,360	(15.4%)
Total Group	9,895	7,712	28.3%

(a) Overview

Group revenue for FY 2007 was \$40.0 million, an increase of 47.9% or \$12.95 million over that of the previous financial year. Completion of major projects in Vietnam, Singapore and Myanmar contributed to the 28.1% or S\$0.5 million increased in Group Net Profit After Tax.

(b) Revenue

Network Infrastructure Projects recorded a substantial increase of revenue by 83.4% to \$35.1 million largely due to the completion of several major projects in Vietnam, Singapore and partial completion of the MRTV project in Myanmar which were secured during the year.

The performance in Voice Communications Systems showed a decrease of 51.8% to \$2.8 million as the Group diverted its limited resources to focus on Network Infrastructure which have a higher contribution compared to the Voice Communications Systems.

The performance in Project Management and Maintenance Services shows an increased of 0.4% to \$2.1 million. This marginal improvement is reflective of both competitive market for this business segment and, customers' confidence and satisfaction of our services.

(c) Profitability

Gross profit for Network Infrastructure Projects increased by 75.0% to \$8.0 million compared to \$4.5 million in the previous financial year. The increased in the profit contribution from Network infrastructure Projects was mainly due to the completion of some major projects in Vietnam, Singapore and partial completion of MRTV project in Myanmar.

The performance of Voice Communication Systems recorded a decrease in profit contribution by 57.9% to \$0.7 million. This was attributable to the diversion of resources to complete and deliver other projects within the requisite project timeline.

Gross profit for Project Management and Maintenance Services decreased by 15.4% or \$0.2 million for the financial year. The decrease was mainly due to market competition and increase in operating costs for maintenance services.

Overall, despite increased competitive market conditions and higher operating costs, the Group recorded Gross Profit of \$9.9 million in FY2007, an increase of 28.3% compared to \$7.6 million in FY2006.

The Company's operating costs increased by 33.3% or \$2.1 million due to increase in:-

- Staff costs increased by 55.0% or \$1.8 million. This include a one time manpower cost for a project of approximately of \$1.7 million.
- Depreciation increased by 45.4% or \$0.1 million;
- Foreign Exchange Loss increased by 11.5% or \$0.1 million due to the weakening of US\$ vs S\$ in FY 2007 resulting in a foreign currency loss of \$0.7 million.
- Finance costs increased by 80.4% or \$0.2 million mainly due to the Group borrowings from financial institution for its working capital requirements.

(d) Balance Sheet

The increase in Intangible assets is mainly attributable to a joint development of product with an Israel company. A grant had been awarded by SIIRD (Singapore Israel Industrial Research & Development Foundation) for the co-development of the product.

The increase in Trade receivables was mainly due to the completion of several major projects towards the end of the financial year and the partial 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 increase in Contract Work-in-progress was mainly due to the cost incurred for projects which were not completed by the end of FY2007. Recognition of the remaining costs and revenue are expected to be in the next financial year.

The increase in borrowings comprised loans to finance the Group's working capital and project financing requirements.

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 condition are expected to remain positive, though challenging and competitive, in the current financial year. The Group has taken steps to meet this challenge.

The outstanding order book as at 31 December 2007 stood at \$27.9 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?

Name of Dividend	Interim	Final
Dividend Type	-	Cash
Dividend Amount per Share (in cents)	-	0.25 cents
Optional: Dividend Rate (in %)	-	-
Tax Rate	-	Tax exempt (One tier)

(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

To be advised later

(d) Books closure date

To be advised later

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 2007	FY 2006	Increase/ (Decrease)
Singapore	10,855	11,191	(3.0%)
Myanmar (Fully supported by Export Letter of Credit)	18,392	6,914	166.0%
Vietnam (Substantially supported by Export Letter of Credit)	9,156	7,215	26.9%
Others	1,574	1,710	(8.0%)
Total Group	39,977	27,030	47.9%

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.

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year (FY 2007)	Previous Full Year (FY 2006)
Ordinary	853,706	800,885
Preference	0	0
Total:	853,706	800,885

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:-

Items	S\$'000	S\$'000
Gross Proceed	4,623	
IPO Expenses	(1,359)	
Net IPO Proceeds	<hr/>	3,264
Application of IPO Proceeds to the Group		
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)	
	<hr/>	
	(1,702)	
2. <u>Finance Acquisition, strategic Partnerships and Joint Ventures</u>		
Expenses used in feasibility study on the potential of overseas & local investment	(303)	
	<hr/>	
	(303)	
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)	
Total Application of Proceeds		(2,567)
Balance of IPO Proceeds		<hr/> 697 <hr/>

We have used 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 is used as general working capital for our Group.

We have used approximately of \$0.3 million for the feasibility studies for opportunity of acquisition, strategic partnerships and/or joint ventures.

19. Use of Rights Issues Proceeds

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

Items	S\$'000	S\$'000
Gross Proceed	3,841	
Rights Issue Expenses	(306)	
Net Rights Issue Proceeds		3,535
Balance of Rights Issues Proceeds		3,535

BY ORDER OF THE BOARD

Jimmy Chang Joo Whut
Managing Director

22 February 2008