

NTEGRATOR INTERNATIONAL LIMITED

(Co. Regn. No: 199904281D)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2012**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		%
	FY2012	FY2011	Increase/ (Decrease)
Revenue	32,794	36,942	(11.2%)
Cost of sales			
- Equipment and consumables used	(24,863)	(29,559)	(15.9%)
- Freight charges	(311)	(127)	144.9%
- Commission and consultancy	(604)	(55)	998.2%
- Changes in inventories and contract work-in-progress	706	1,311	(46.1%)
	(25,072)	(28,430)	(11.8%)
Gross profit	7,722	8,512	(9.3%)
Other income – Interest income from bank deposits	42	2	2000.0%
Other gains / (losses) – net	216	(50)	532.00%
Expenses			
- Administrative	(7,505)	(7,819)	(4.0%)
- Finance	(203)	(283)	(28.3%)
Profit before income tax	272	362	(24.9%)
Income tax expense	(22)	(108)	(79.6%)
Net profit	250	254	(1.6%)
Other comprehensive (losses) / income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation			
- (Losses) / gains	(804)	78	
Total comprehensive (losses) / income	(554)	332	
Profit attributable to:			
Equity holders of the Company	447	224	99.6%
Non-controlling interests	(197)	30	(756.7%)
	250	254	(1.6%)

Group		
S\$'000		%
FY2012	FY2011	Increase/ (Decrease)

Total comprehensive (losses) / income attributable to:

Equity holders of the Company	(353)	312
Non-controlling interests	(201)	20
	<u>(554)</u>	<u>332</u>

Earnings per share attributable to equity holders of the Company
(cents per share)

- Basic	0.09	0.05
- Diluted	<u>0.06</u>	<u>0.03</u>

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 statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	9,487	6,077	2,605	460
Trade and other receivables	28,927	34,133	847	270
Inventories	377	1,051	-	-
	38,791	41,261	3,452	730
Non-current assets				
Trade and other receivables	-	1,584	-	-
Investments in subsidiaries	-	-	16,000	16,000
Property, plant and equipment	182	174	-	-
Intangible assets	-	258	-	-
	182	2,016	16,000	16,000
Total assets	38,973	43,277	19,452	16,730
LIABILITIES				
Current liabilities				
Trade and other payables	16,606	18,514	493	505
Current income tax liabilities	-	90	-	-
Borrowings	4,531	8,312	-	-
	21,137	26,916	493	505
Non-current liabilities				
Borrowings	196	944	-	-
Deferred income tax liabilities	-	59	-	-
	196	1,003	-	-
Total liabilities	21,333	27,919	493	505
NET ASSETS	17,640	15,358	18,959	16,225
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	18,663	15,827	18,663	15,827
Treasury shares	(11)	(11)	(11)	(11)
Other reserves	(1,425)	(625)	355	355
Retained profits / (accumulated losses)	326	(121)	(48)	54
	17,553	15,070	18,959	16,225
Non-controlling interests	87	288	-	-
Total equity and non-controlling interests	17,640	15,358	18,959	16,225

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 2012		As at 31 December 2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,523	1,008	3,415	4,897

Amount repayable after one year

As at 31 December 2012		As at 31 December 2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	196	-	944

The secured borrowings with Financial Institutions are pledged with Export Letter of Credits

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

	Group	
	S\$'000	
	FY2012	FY2011
Cash flows from operating activities:		
Net profit	250	254
Adjustments for		
- Income tax expense	22	108
- Depreciation and amortisation	245	291
- Intangible assets written off	89	-
- Amortisation of bills receivables	38	88
- Interest expense	204	283
- Interest income	(42)	(2)
- Currency translation differences	(794)	84
	12	1,106
Changes in working capital		
- Inventories	674	782
- Trade and other receivables	6,752	7,512
- Trade and other payables	(1,908)	(10,579)
Cash generated from operations	5,530	(1,179)
Interest received	42	2
Interest paid	(204)	(283)
Income tax paid	(171)	(18)
Net cash provided by / (used in) operating activities	5,197	(1,478)
Cash flows from investing activities:		
Additions to property, plant and equipment	(94)	(53)
Net cash used in investing activities	(94)	(53)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	2,836	188
Proceeds from borrowings	1,200	3,016
Repayment of borrowings	(5,609)	(2,028)
Repayment of lease liabilities	(15)	(20)
Dividends paid to equity holders of the Company	-	(821)
Net cash (used in) / provided by financing activities	(1,588)	335
Net increase in cash and cash equivalents	3,515	(1,196)
Beginning of financial year	5,054	6,250
End of financial year	8,569	5,054

Cash and cash equivalents comprise the following:

Cash and cash equivalents
Less: Bank overdrafts

Group	
S\$'000	
FY2012	FY2011
9,487	6,077
(918)	(1,023)
8,569	5,054

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	Attributable to equity holders of the Company					Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Employee share option reserve S\$'000	Foreign currency translation reserve S\$'000	Retained profits/ (accumulated losses) S\$'000			
	2012							
Beginning of financial year	15,827	(11)	355*	(980)*	(121)	15,070	288	15,358
Shares issued pursuant to exercise of warrants	2,836	-	-	-	-	2,836	-	2,836
Total comprehensive (losses) / income for the year	-	-	-	(800)	447	(353)	(201)	(554)
End of financial year	18,663	(11)	355*	(1,780)*	326	17,553	87	17,640
2011								
Beginning of financial year	15,639	(11)	355*	(1,068)*	476	15,391	268	15,659
Dividend relating to 2010 paid	-	-	-	-	(821)	(821)	-	(821)
Shares issued pursuant to exercise of warrants	188	-	-	-	-	188	-	188
Total comprehensive income for the year	-	-	-	88	224	312	20	332
End of financial year	15,827	(11)	355*	(980)*	(121)	15,070	288	15,358

* Not available for distribution

Company	Share capital	Treasury shares	Employee share option reserve	Retained profits/(accumulated losses)	Equity attributable to shareholders of the Company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2012					
Beginning of financial year	15,827	(11)	355*	54	16,225
Shares issued pursuant to exercise of warrants	2,836	-	-	-	2,836
Total comprehensive loss for the year	-	-	-	(102)	(102)
End of financial year	18,663	(11)	355*	(48)	18,959
2011					
Beginning of financial year	15,639	(11)	355*	914	16,897
Dividend relating to 2010 paid	-	-	-	(821)	(821)
Shares issued pursuant to exercise of warrants	188	-	-	-	188
Total comprehensive loss for the year	-	-	-	(39)	(39)
End of financial year	15,827	(11)	355*	54	16,225

* Not available for distribution

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")	Warrants
Balance as at 31 December 2011	410,943,127	20,778,000	277,659,818
Warrants Exercised	153,996,880	-	(153,996,880)
Lapsed of warrants W121011	-	-	(2,801,151)
Balance as at 31 December 2012	564,940,007	20,778,000	120,861,787

Total number of outstanding shares options are as follows:

Date ESOS Grant	Exercise Period	Exercise Price	ESOS outstanding as at 31.12.2011	ESOS outstanding as at 31.12.2012
11.09.2006	11.09.2007 to 10.09.2017	S\$0.13	816,000	816,000
25.08.2008	25.08.2009 to 25.08.2019	S\$0.04	18,162,000	18,162,000
25.08.2008	25.08.2009 to 25.08.2014	S\$0.04	1,800,000	1,800,000

Total number of outstanding warrants are as follows:

Date of Listing	Warrants Number	Exercise Period	Exercise Price (S\$)	Warrants Outstanding
13.12.2010	W131206	13.12.2010 to 06.12.2013	0.020	120,861,787
		Balance as at 31 December 2012		120,861,787

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 2012	FY 2011
Beginning of financial year	410,943,127	400,916,289
Warrants Exercised	153,996,880	10,026,838
End of financial year	564,940,007	410,943,127

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.

Total treasury shares as at 31 December 2012 is 251,000. There are no movement for the current financial period.

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 in the financial statements for the current reporting financial year compared with the audited annual financial statements for the financial year ended 31 December 2011 except as described in section 5 below.

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.

The Group has adopted the FRS 1 Presentation of Items of Other Comprehensive Income which is relevant to the Group and applicable retrospectively to annual periods beginning on or after 1 July 2012. It requires items presented in other comprehensive income ("OCI") to be separated into two groups, based on whether or not they may be recycled to profit or loss in the future.

An additional statement of financial position and related notes at the beginning of the earliest comparative period is not presented as there is no impact on the statement of financial position.

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 2012	FY 2011
Earnings per ordinary share of the group		
Based on weighted average number of ordinary shares on issue (cents)	0.09	0.05
Weighted average number of ordinary shares	487,579,655	407,490,444
Based on a fully diluted basis (cents)	0.06	0.03
Fully diluted number of ordinary shares	706,579,794	709,380,945
Issued share capital at the end of financial year	564,940,007	410,943,127

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		Company	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Net asset value per ordinary share based on issued share capital at the end of (cents):	3.12	3.74	3.36	3.95
No. of shares used in computation of net assets per share	564,940,007	410,943,127	564,940,007	410,943,127

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 2012	FY 2011	Increase/ (Decrease)
Project Sales	22,262	27,473	(19.0%)
Project Management and Maintenance Services	10,532	9,469	11.2%
Total Group	32,794	36,942	(11.2%)

Gross Profit	\$'000	\$'000	%
	FY 2012	FY 2011	Increase/ (Decrease)
Project Sales	5,077	5,897	(13.9%)
Project Management and Maintenance Services	2,645	2,615	1.1%
Total Group	7,722	8,512	(9.3%)

(a) Overview

The Group reported sales of S\$32.8 million for FY 2012, 11% lower in revenue as compared to S\$36.9 million for the previous financial year.

The Group has been successful in executing its strategy in increasing its Project Management and Maintenance Service businesses. Compared to FY2011 the Group has increased its Project Management and Maintenance Service business by over 11%. Multi-year maintenance contracts offers better margins and less risk associated with project deliveries.

The Group revenue was affected by the following major factors during the year. The subsidiary in Thailand continued to make slow progress in completing their project and recorded a loss in the Group performance. Also, there were delays in securing additional contracts in Myanmar due to the national parliament elections.

(b) Revenue

Group revenue for FY 2012 was S\$32.8 million, a decrease of 11.2% over FY 2011

Revenue for Project Sales recorded a decrease of 19.0% as compared to the previous year. The delays in the Thailand project installation and delays in securing the Myanmar contracts due to the national parliamentary elections were contributing factors.

The decline in Group revenue was partially offset by an 11.2% increase in Project Management and Maintenance Services to S\$10.5 million. This improvement reflects the growing confidence of our existing customers and their satisfaction for our quality standards and value added services.

(c) Profitability

The core business operations of the Group generated a gross profit of S\$5.0 million for FY2012, compared to S\$5.9 million in the previous year with profit margin as a percentage of turnover remains the same.

Gross profit for Project Management and Maintenance Services increased from S\$2.62 million to S\$2.65 million. As the Group grew the Project Management and Maintenance Service business, it has successfully achieved certain economies of scale for services provided both locally and overseas. In line with investing in the Group's strategy to grow the Project Management and Maintenance Service business, there is a one-time cost of purchase of equipment and tools of S\$0.5 million.

On the cost front, in line with the lower revenue, Equipment and Consumables recorded a decrease of 15.9% over the previous year.

The Group initiated a consolidation for shipments and increased usage of sea freight instead of air shipment for cost reduction. However, freightage costs increased by \$S0.2M due to projects that were secured in Mozambique and Peru (projects which were invested by our existing customers)..

Commission and consultancy fee recorded an increase of S\$0.5 million higher compared to the previous financial year. The higher fees are mainly attributable to the projects secured by the Group in new geographical markets.

Changes in inventories and contract work-in-progress recorded a decrease of 46.1%. This decrease was due mainly to the costs carried forward for incomplete projects to be completed in the next financial year.

Other gains/(losses)- net increased as compared to the previous financial year. Further breakdown of the gains is tabled below:-

	FY 2012 S\$'000	FY 2011 S\$'000	% Increase / (Decrease)
Amortisation of Bills Receivables	38	88	(56.8%)
Realised & Unrealised Exchange Gain / (Loss)	56	(256)	121.9%
Government Grant	139	0	n.m.
Loss on Intangible Assets written off	(89)	0	n.m.
Others	72	118	(39.0%)
Total	216	(50)	532.0%

n.m. – not meaningful

The decrease in finance cost of S\$80k is a result of lesser borrowings.

(d) **Statement of Financial Position**

The increase in cash and cash equivalents from S\$6 million to S\$9.5 million was due mainly from cash generated from operation. Further elaboration is provided under “(e) cash flow”.

The Group has also improved its collections, thereby reflecting a decreases in its current and non-current trade and other receivables. The settlement from the Myanmar projects utilizing the Export Letters of Credits had been substantially repaid with a final settlement at end of the financial year. This repayment reflects that all progressive payments have been received in accordance with the agreed schedule.

Utilisation of equipment to complete projects in the current financial year resulted in a decrease in inventories.

The decrease in Intangible Assets was due to the amortization of development cost and a write off of the entire investment for the software development as future economic benefits are not probable.

The decrease in borrowings for current and non-current liabilities is attributable to repayment of outstanding loan to the financial institutions in accordance with the loan agreements.

There has been no change in policy for settling with Trade and Other Payables. The decrease in Trade and other payables at the end of financial year 2012 compared to financial year ended 2011 was due to timing of purchases.

(e) **Cash flow**

Net cash of S\$5.2 million was generated from operations as compared to S\$1.5 million utilized for operation in the previous financial year. The group maintained its payables policy in order to continue to enjoy competitive rates from and offered by its suppliers.

The currency translation difference is mainly due to consolidation of the group of companies who operates in different functional currencies.

Cash used in financing activities showed a reduction of S\$1.6 million due to net repayment of loans, amounting to S\$4.4 million and proceeds from the conversion of warrants of S\$2.8 million.

Despite the lower revenue in FY 2012, the Company is able to generate a positive operating cash flow for working capital purposes and carry forward a S\$9.5 million cash and cash equivalent for the Group.

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 competitive for the next 12 months.

The Group will continue to improve its Project Management and Maintenance Service businesses in accordance to its strategy.

The Group has seen a continuing interest in Myanmar and Vietnam resulting in an improvement in the Order book and Sales pipeline. Barring any unforeseen circumstances, the Group expects positive development in the Sales pipeline for the next 2-5 years.

The Company's Order book as at date of announcement is S\$72.2 million compared to \$26.8 million announced last year. The increase in the Order book reflects one of the increasing strengths of the Company.

11. Dividend**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No

(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	-	-
Dividend Amount per Share (in cents)	-	-
Optional: Dividend Rate (in %)	-	-
Tax Rate	-	-

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the current financial period.

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 2012	FY 2011	Increase/ (Decrease)
Singapore	19,776	15,940	24.1%
Myanmar (Supported by Export Letter of Credit)	2,972	415	616.1%
Vietnam (Supported by Export Letter of Credit)	7,591	11,732	(35.3%)
Others	2,455	8,855	(72.3%)
Total Group	32,794	36,942	(11.2%)

- 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.**

Group	\$'000	\$'000	%
	FY 2012	FY 2011	Increase/ (Decrease)
(a) Sales reported for first half year	14,052	16,661	(15.7%)
(b) Operating profit after tax before deducting minority interests reported for first half year	267	30	790.0%
(c) Sales reported for second half year	18,742	20,281	(7.6%)
(d) Operating (loss) / profit after tax before deducting minority interests reported for second half year	(17)	224	(107.6%)

- 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 (FY2012)	Previous Full Year (FY2011)
Ordinary	-	-
Preference	-	-
Total:	-	-

17. Interested Person Transactions (“IPT”)

The Company does not have an IPT mandate. There were no transactions with interested persons in FY2012.

18. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 902(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a shareholders’ mandate for interested person transactions.

19. Disclosure of person(s) occupying a managerial position in the Company or any of its principal subsidiaries.

Pursuant to Rule 704 (10) of the Catalist Rules of Singapore Exchange Securities Trading Limited, the Board of Directors of Ntegrator International Ltd wishes to confirm that there are no persons occupying managerial positions in the Company or any of its principals subsidiaries who are relatives of a Director or Chief Executive Officer or substantial shareholder of the Company.

20. Use of Proceeds – Warrants conversion

As at 31 December 12, approximately S\$ 1.1 million from the proceed from issuance of shares arising from conversion of warrants has been utilized, a summary of which is set out below:-

<u>Items</u>	<u>Amount (S\$)</u>	
Conversion of W121011	2,109,042.26	
Conversion of W131206	1,579,772.54	
Total Net Conversion of Warrants		3,688,814.80
 <u>Application of Proceeds</u>		
Professional Fees	113,561.50	
Issuance of Warrants	20,133.54	
Repayment of bank loans	980,229.06	
 Total Application of Proceeds		 1,113,924.10
 Balance of Conversion of Warrants		 <u><u>2,574,890.70</u></u>

BY ORDER OF THE BOARD

Jimmy Chang Joo Whut
Managing Director
25 February 2013

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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