

NTEGRATOR INTERNATIONAL LIMITED

(Co. Regn. No: 199904281D)

HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2012**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF 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		%
	HY2012	HY2011	Increase/ (Decrease)
Revenue	14,052	16,661	(15.7%)
Cost of sales			
- Equipment and consumables used	(10,146)	(14,777)	(31.3%)
- Freight	(30)	(53)	(43.4%)
- Commission and consultancy	(499)	(52)	859.6%
- Changes in inventories and contract work-in-progress	243	1,695	(85.7%)
	(10,432)	(13,187)	(20.9%)
Gross profit	3,620	3,474	4.2%
Other gains / (losses) - net	57	(135)	142.2%
Expenses			
- Administrative	(3,273)	(3,158)	3.6%
- Finance	(114)	(147)	(22.4%)
Profit before income tax	290	34	752.9%
Income tax expense	(23)	(4)	475.0%
Net profit	267	30	790.0%
Other comprehensive income:			
Currency translation differences arising from consolidation	(235)	(697)	
Total comprehensive income / (loss)	32	(667)	
Profit attributable to:			
Equity holders of the Company	319	39	717.9%
Non-controlling interests	(52)	(9)	477.8%
	267	30	790.0%
Total comprehensive income / (loss) attributable to:			
Equity holders of the Company	92	(658)	
Non-controlling interests	(60)	(9)	
	32	(667)	

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	
	30/06/2012	31/12/2011	30/06/2012	31/12/2011
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	6,298	6,077	1,529	460
Trade and other receivables	34,143	34,133	47	270
Inventories	827	1,051		
	41,268	41,261	1,576	730
Non-current assets				
Trade and other receivables	293	1,584	-	-
Investments in subsidiaries	-	-	16,000	16,000
Property, plant and equipment	138	174	-	-
Intangible assets	166	258	-	-
	597	2,016	16,000	16,000
Total assets	41,865	43,277	17,576	16,730
LIABILITIES				
Current liabilities				
Trade and other payables	12,395	18,514	958	505
Current income tax liabilities	-	90	-	-
Borrowings	12,268	8,312	-	-
	24,663	26,916	958	505
Non-current liabilities				
Borrowings	197	944	-	-
Deferred income tax liabilities	-	59	-	-
	197	1,003	-	-
Total liabilities	24,860	27,919	958	505
Net assets	17,005	15,358	16,618	16,225
Equity				
Capital and reserves attributable to equity holders of the Company				
Share capital	17,442	15,827	17,442	15,827
Treasury shares	(11)	(11)	(11)	(11)
Other reserves	(852)	(625)	355	355
Retained profits / (accumulated losses)	198	(121)	(1,168)	54
	16,777	15,070	16,618	16,225
Non-controlling interests	228	288	-	-
Total equity and non-controlling interests	17,005	15,358	16,618	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 30 June 2012		As at 31 December 2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
8,934	3,334	3,415	4,897

Amount repayable after one year

As at 30 June 2012		As at 31 December 2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	197	-	944

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

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

	Group	
	S\$'000	
	HY2012	HY2011
Cash flows from operating activities		
Total profit	267	30
Adjustments for		
- Income tax	23	-
- Depreciation and amortisation	128	160
- Amortisation of bills receivables	25	52
- Finance expense	114	147
- Interest income	(4)	(1)
- Currency translation differences	(224)	(679)
	329	(291)
Change in working capital		
- Inventories	224	(84)
- Trade and other receivables	1,256	5,440
- Trade and other payables	(6,119)	(4,983)
Cash used in operations	(4,310)	82
Interest received	4	1
Interest paid	(114)	(147)
Income tax paid	(172)	-
Net cash used in operating activities	(4,592)	(64)
Cash flows from investing activities		
Additions to property, plant and equipment	(10)	(25)
Additions of intangible assets	-	-
Net cash used in investing activities	(10)	(25)
Cash flows from financing activities		
Proceeds from issuance of shares capital	1,615	188
Proceeds from borrowings – trust receipts	6,709	278
Repayment of borrowings – trust receipts	(1,057)	(432)
Repayment of borrowings	(2,338)	(1,071)
Repayment of lease liabilities	(7)	(11)
Dividend paid to equity holders of the Company	-	(822)
Net cash provided by / (used in) financing activities	4,922	(1,870)
Net increase in cash and cash equivalents	320	(1,959)
Beginning of the financial year	5,054	6,250
End of financial year	5,374	4,291

Cash and cash equivalents comprise the following:

Cash and cash equivalents
Less: Bank overdrafts

Group	
S\$'000	
HY 2012	HY 2011
6,298	5,384
(924)	(1,093)
5,374	4,291

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	Non-controlling interests	Total equity
	Share capital	Treasury shares	Employee share option reserve	Foreign currency translation reserve	Retained profits / (accumulated losses)				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
2012									
Beginning of financial year	15,827	(11)	355*	(980)*	(121)	15,070	288	15,358	
Share issue pursuant to:-									
- Exercise of warrants	1,615	-	-	-	-	1,615	-	1,615	
Total comprehensive income for the year	-	-	-	(227)	319	92	(60)	32	
As at 30 June 2012	17,442	(11)	355*	(1,207)*	198	16,777	228	17,005	
2011									
Beginning of financial year	15,639	(11)	355*	(1,068)*	476	15,391	268	15,659	
Dividend paid relating to 2010	-	-	-	-	(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 S\$'000	Treasury shares	Employee share option reserve S\$'000	Retained profits / (accumulated losses) S\$'000	Equity attributable to shareholders of the Company S\$'000
2012					
Beginning of financial year	15,827	(11)	355*	54	16,225
Shares issued pursuant to exercise of warrants	1,615	-	-	-	1,615
Total comprehensive loss for the year	-	-	-	(1,222)	(1,222)
As at 30 June 2012	17,442	(11)	355*	(1,168)	16,618
2011					
Beginning of financial year	15,639	(11)	355*	914	16,897
Dividend paid relating to 2010	-	-	-	(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	Employee Share Option Scheme ("ESOS")	Warrants
Balance as at 31 December 2011	410,943,127	20,778,000	277,659,818
Warrants exercised	87,678,994	-	(87,678,994)
Balance as at 30 June 2012	498,622,121	20,778,000	189,980,824

Total number of outstanding shares options is as follows:

Date ESOS Grant	Exercise Period	Exercise Price	ESOS Outstanding as at 31.12.2011	ESOS Outstanding as at 30.06.2012
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 is as follows:

Date of Listing	Warrants Number	Exercise Period	Exercise Price	Warrants Outstanding
14.10.2009	W121011	14.04.2010 to 11.10.2012	S\$0.017	38,055,237
13.12.2010	W131206	13.12.2010 to 06.12.2013	S\$0.020	151,925,587
		Balance as at 30 June 2012		189,980,824

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.

	HY2012	FY2011
Beginning of financial period	410,943,127	400,916,289
Warrants exercised	87,678,994	10,026,838
End of financial period	498,622,121	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.

Treasury Shares

	HY2012	FY2011
Beginning of financial period	251,000	251,000
Share Buy Back	-	-
End of financial period	251,000	251,000

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 2011.

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 2012. 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.

Amendments to FRS 1
Amendments to FRS 12

Presentation of Items of Other Comprehensive Income
Deferred Tax – Recovery of Underlying Assets

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	
	HY2012	HY2011
Earnings per ordinary share of the group		
Based on weighted average number of ordinary shares on issue (cents)	0.07	0.01
Weighted average number of ordinary shares	427,830,521	402,435,819
Based on a fully diluted basis (cents)	0.04	0.01
Fully diluted number of ordinary shares	709,380,945	709,380,945
Issued share capital at the end of financial year	498,622,121	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	
	30 June 2012	31 December 2011
Net asset value per ordinary share based on issued share capital at the end of:	3.41	3.74
No. of shares used in computation of net assets per share	498,622,121	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	%
	HY2012	HY2011	Increase
Project Sales	9,097	12,032	(24.4%)
Project Management and Maintenance Services	4,955	4,629	7.0%
Total Group	14,052	16,661	(15.7%)

Gross Profit	\$'000	\$'000	%
	HY2012	HY2011	Increase/ (Decrease)
Project Sales	2,296	2,269	1.2%
Project Management and Maintenance Services	1,323	1,205	9.8%
Total Group	3,619	3,474	4.2%

(a) Overview

The Group recorded a 4.2% improvement in gross profit to S\$3.6 million over the corresponding period despite a 15.7% dip in revenue to S\$14.1 million for 1H 2012. The Group strategy has been to concentrate more on ongoing sustainable revenue streams from Project Management and Maintenance contracts. Project management and Maintenance revenue generated S\$5.0 million in revenue, an improvement of 7.0% compared to the corresponding period.

Projects completed in the Group's primary countries; Singapore, Vietnam and Myanmar contributed the majority of the Group's project sales in 1H 2012.

(b) Revenue

Group revenue for 1H 2012 was \$14.1 million, a decrease of 15.7% over the previous corresponding period.

Contribution from Project Sales decreased by 24.4% to S\$9.1 million. The decrease was largely due to certain projects in the order book that were not completed in 1H 2012. These projects, including the Peru project (announced on 7 May 2012) are expected to be completed in the second half 2012.

(c) Profitability

For Project Sales, the Group generated a gross profit of S\$2.30 million, compared to \$2.27 million in the corresponding period in the previous year.

Equipment and consumables used recorded a decrease of 31.3% which is in line with the decrease in revenue and improved margins.

Freightage reflected a decrease of 43.4% resulting from cost saving measures in utilization of sea freighting and obtaining more competitive rates from freight forwarders. Commission and consultancy of S\$499k was an increase of 859.6% with the Group's move towards more overseas projects compared to last year.

Changes in inventories and contract work-in-progress recorded a decrease of 85.7%. This decrease was due mainly to the work-in-progress carried forward from the previous year were recognized in the 1H 2012.

The increase in other gain was mainly foreign exchange translation gain as a result of stronger Singapore dollar against the US dollar.

Administrative Expenses rose by 3.6% with additional manpower brought in to support the growth of the company.

The Finance expense reflected a decrease of 22.4% due to the reduction in long term borrowings and repayment of some previous loans.

(d) **Balance Sheet**

The increase in cash and cash equivalents was due mainly to the collection from long term receivables and proceeds from the conversion of warrants.

The decrease in current and non-current trade and other receivables was mainly due to collections from both the local and overseas customers including payment terms under trade credit and Export Letters of Credits.

The decrease in inventories was due to stocks being utilized for project sales.

The decrease in trade and other payables is in accordance with the agreed supply terms for projects and in line with the decrease in revenue.

(e) **Cash flow**

The Group recorded a S\$1.1 million increase in net cash compared to 30 June 2011, with improved cash flow of S\$5.4 million at 30 June 2012 compared to S\$4.3 million a year ago.

Change in working capital recorded a decrease in cash of S\$4.6 million due mainly to trade payables of S\$6.1 million. This is compensated with the net increase in receivables of S\$1.3 million and S\$0.2 million in inventories utilization.

Cash flow from financing activities recorded an increase of S\$4.9 million due to the followings:

- Proceed from issuance of shares arising from conversion of warrants of approximately S\$1.6 million;
- Net borrowings from financial institution for the completion of secured orders of approximately S\$5.7 million; and
- Repayment of bank loan of S\$2.4 million.

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.

The apparent improvement in the political situation in Myanmar has generated significant opportunities. The Group's long history of working in Myanmar has put them in a strong position and the Group expects a positive contribution in the next half year results.

The Group will also focus on its primary markets: Singapore and Vietnam and expects to maintain its position in these markets.

Outstanding order book as at 30 June 2012 is \$27.2 million.

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/recommended, a statement to that effect.

There will be no dividend declared for the 6 months period ended 30 June 2012.

13. 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.

14. Use of Proceeds – Warrants conversion

As at 30 June 12, approximately S\$ 0.9 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	1,509,722.80	
Conversion of W131206	958,496.54	
Aggregate Net Conversion of Warrants since commencement of both series		2,468,219.34
 <u>Application of Proceeds</u>		
Professional Fees	82,200	
Issuance of Warrants	18,210.50	
Repayment of bank loans	839,137.39	
Total Application of Proceeds		939,547.89

Balance of Conversion of Warrants

1,528,671.45

15. Negative Assurance Confirmation Statement on Interim Financial Statements

The Board of Directors hereby confirm that to the best of their knowledge, nothing has come to their attention which may render the interim financial statements for the half year ended 30 June 2012, to be false or misleading in any material aspect

For and on behalf of the
Board of Directors of
Ntegrator International Ltd

Chang Joo Whut
Managing Director

Han Meng Siew
Deputy Chairman

10 August 2012

BY ORDER OF THE BOARD

Jimmy Chang Joo Whut
Managing Director
10 August 2012

*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.

*The contact person for the Sponsor is Ms Foo Quee Yin.
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