



## NEWS RELEASE

### **NTEGRATOR REPORTS LOWER NET PROFIT OF S\$0.16 MILLION FOR HY2010**

- **Project delays result in lower revenue of S\$12.7 million**
- **Order book stands at S\$36.8 million (as at June 30, 2010)**

*Singapore, August 6, 2010* – Ntegrator International Ltd (“Ntegrator” or “the Group”), a leading regional communications network specialist and systems integrator, reported a 59.8% decrease in revenue to S\$12.7 million for the half year ended June 30, 2010 (“HY2010”).

This is largely due to the delay of a major project in Thailand as a result of the recent political unrest in Thailand during the second quarter of the year. As Thailand returns to normalcy, the project is expected to be substantially completed by the end of this financial year.

Due to circumstances beyond the Group’s control, formal finalisation of some contracts that were scheduled to be signed at the end of the first quarter and delivered by the second quarter of this year were delayed.

Commented Mr Jimmy Chang, Managing Director of Ntegrator: “The telco systems integration sector remains attractive and Ntegrator’s order book continues to grow. However, with a project-based business, revenue recognition would be affected by any project delay. In mitigating the situation, the Group had actively marketed and substantially increased revenue through long term project management and maintenance services, which provided a recurring stream of revenue.

“Notwithstanding the delays experienced in the first half, we are on schedule to complete a significant amount of signed orders in the second half of this year.”

At the end of June, the Group’s order book was S\$36.8 million, which excludes the contracts that the Group is currently in the process of finalising.

### **Segmental Performance**

The Group’s core Project Sales registered a 71.1% decrease in revenue to S\$8.2 million, due to project delays. This was, however, offset by a 77% jump in revenue for the Project Management and Maintenance Services, which increased from S\$2.5 million in HY2009 to S\$4.5 million in HY2010. This improvement was mainly due to contract renewals by existing customers and newly secured project management services in Singapore.

### **Profitability**

Gross profit for Project Sales decreased by 8.1% to S\$2.4 million compared to S\$2.6 million in the previous corresponding period. This decrease was largely due to the increase in cost of borrowings, cost of acquiring equipment and consultancy services paid to third parties.

Project Management and Maintenance Services saw gross profit jumping 44.5% to S\$1.0 million, in line with the increase in project management services contracts.

Notwithstanding the decrease in revenue resulting in lower net profit, gross profit margin had improved by 2.8% due to the overall improvement in Project Management and Maintenance Services.

## **Strong Financial Fundamentals**

The Group continued to enjoy a healthy balance sheet, with shareholders' equity improving to S\$24.0 million in HY2010, from S\$23.0 million at December 31, 2009. Net asset value per ordinary share is 6.37 Singapore cents while cash and cash equivalents increased to S\$3.7 million as at June 30, 2010.

## **Outlook and future plans**

"We continue to strengthen our foothold in the emerging Indochina markets while we simultaneously fortify our financial fundamentals. Whilst business conditions are expected to remain challenging and competitive in the second half of the financial year, we are encouraged that the majority of our outstanding contracts are scheduled to be completed within this current financial year," added Mr Chang.

## **About Ntegrator International Ltd**

Established in April 2002, Ntegrator was listed on Sesdaq (now transitioned to Catalist) on October 26, 2005, after three profitable years. Ntegrator's core businesses include the design, installation and implementation of data, video, fibre optics, wireless and cellular network infrastructure as well as voice communication systems. The Group also provides project management services as well as maintenance and support services.

Headquartered in Singapore, Ntegrator has expanded its operations regionally, covering Singapore, Vietnam, Myanmar, Malaysia and Thailand.

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