

NTEGRATOR INTERNATIONAL LIMITED

(Co. Regn. No: 199904281D)

HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2011**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		%
	HY2011	HY2010	Increase/ (Decrease)
Revenue	16,661	12,701	31.2%
Cost of sales			
- Equipment and consumables used	(14,777)	(10,565)	39.9%
- Freight	(53)	(156)	(66.0%)
- Commission and consultancy	(52)	(582)	(91.1%)
- Changes in inventories and contract work-in-progress	1,695	1,970	(14.0%)
	(13,187)	(9,333)	41.3%
Gross profit	3,474	3,368	3.1%
Other (losses) / gains – net	(135)	25	(640.0%)
Expenses			
- Administrative	(3,158)	(3,049)	3.6%
- Finance	(147)	(186)	(21.0%)
Profit before income tax	34	158	(78.5%)
Income tax expense	(4)	(1)	300.0%
Net profit	30	157	(80.9%)
Other comprehensive income:			
Currency translation differences arising from consolidation	(697)	1	
Total comprehensive (loss) / income	(667)	158	
Profit attributable to:			
Equity holders of the Company	39	144	(72.9%)
Non-controlling interests	(9)	13	(169.2%)
	30	157	(80.9%)
Total comprehensive (loss) / income attributable to:			
Equity holders of the Company	(658)	145	
Non-controlling interests	(9)	13	
	(667)	158	

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	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	5,384	7,276	630	814
Trade and other receivables	34,633	36,563	58	625
Inventories	1,917	1,833		
	41,934	45,672	688	1,439
Non-current assets				
Trade and other receivables	3,193	6,288	-	-
Investment in subsidiaries	-	-	16,000	16,000
Property, plant and equipment	211	250	-	-
Intangible assets	312	421	-	-
	3,716	6,959	16,000	16,000
Total assets	45,650	52,631	16,688	17,439
LIABILITIES				
Current liabilities				
Trade and other payables	24,353	29,021	1,501	542
Current income tax liabilities	-	-	-	-
Borrowings	1,380	2,175	-	-
	25,733	31,196	1,501	542
Non-current liabilities				
Borrowings	5,500	5,717	-	-
Deferred income tax liabilities	59	59	-	-
	5,559	5,776	-	-
Total liabilities	31,292	36,972	1,501	542
Net assets	14,358	15,659	15,187	16,897
Equity				
Capital and reserves attributable to equity holders of the Company				
Share capital	15,827	15,639	15,827	15,639
Treasury shares	(11)	(11)	(11)	(11)
Other reserves	(1,410)	(713)	355	355
Retained profits	(307)	476	(984)	914
	14,099	15,391	15,187	16,897
Non-controlling interests	259	268	-	-
Total equity and non-controlling interests	14,358	15,659	15,187	16,897

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 2011		As at 31 December 2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	1,380	-	2,175

Amount repayable after one year

As at 30 June 2011		As at 31 December 2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	5,500	-	5,717

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	
	HY2011	HY2010
Cash flows from operating activities		
Total profit	30	157
Adjustments for		
- Income tax	-	1
- Depreciation and amortisation	160	159
- Gain on disposal of subsidiary	-	377
- Amortisation of bills receivables	52	100
- Finance expense	147	186
- Interest income	(1)	(1)
- Currency translation differences	(679)	3
	(291)	982
Change in working capital		
- Inventories	(84)	(57)
- Trade and other receivables	4,973	9,701
- Trade and other payables	(4,668)	(12,305)
Cash used in operations	(70)	(1,679)
Interest received	1	1
Interest paid	(147)	(186)
Income tax paid	-	(32)
Net cash used in operating activities	(216)	(1,896)
Cash flows from investing activities		
Additions to plant and equipment	(30)	(78)
Additions of intangible assets	-	(196)
Net cash used in investing activities	(30)	(274)
Cash flows from financing activities		
Proceeds from issuance of shares capital	188	674
Proceeds from borrowings	-	4,740
Repayment of borrowings	(1,068)	(773)
Repayment of lease liabilities	(11)	28
Dividend paid to equity holders of the Company	(822)	-
Net cash provided by financing activities	(1,713)	4,669
Net increase in cash and cash equivalents	(1,959)	2,499
Beginning of the financial year	6,250	1,176
End of financial year	4,291	3,675

Cash and cash equivalents comprise the following:

Cash and cash equivalents
Less: Bank overdrafts

Group	
S\$'000	
HY 2011	HY 2010
5,384	4,907
(1,093)	(1,232)
4,291	3,675

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 equity \$'000
	Issued share capital S\$'000	Treasury shares S\$'000	Employee share options reserve S\$'000	Currency translation reserve S\$'000	Retained profits S\$'000	Total S\$'000	Non-controlling interests S\$'000	
2011								
Beginning of financial year	15,639	(11)	355	(1,068)	476	15,391	268	15,659
Share issue pursuant to:-								
- Exercise of warrants	188	-	-	-	-	188	-	188
Dividend paid relating to 2010	-	-	-	-	(822)	(822)	-	(822)
Total comprehensive profit for the year	-	-	-	(697)	39	(658)	(9)	(667)
As at 30 June 2011	15,827	(11)	355*	(1,765)*	(307)	14,099	259	14,358
2010								
Beginning of financial year	14,449	-	360	(9)	8,193	22,993	(13)	22,980
Purchase of treasury shares	-	(11)	-	-	-	(11)	-	(11)
Cancellation of share option	-	-	(5)	-	-	(5)	-	(5)
Share issue pursuant to:-								
- Performance Share Plan	454	-	-	-	-	454	-	454
- Exercise of warrants	665	-	-	-	-	665	-	665
- Script dividend	71	-	-	-	-	71	-	71
Dividend paid relating to 2009	-	-	-	-	(754)	(754)	-	(754)
Disposal of subsidiary	-	-	-	-	-	-	221	221
Total comprehensive loss for the year	-	-	-	(1,059)	(6,963)	(8,022)	60	(7,962)
End of financial year	15,639	(11)	355*	(1,068)*	476	15,391	268	15,659

Company	Issued share capital S\$'000	Treasury shares	Employee share option reserve S\$'000	Retained profits S\$'000	Equity attributable to shareholders of the Company S\$'000
2011					
Beginning of financial year	15,639	(11)	355	914	16,897
Share issue pursuant to:-					
- Exercise of warrants	188	-	-	-	188
Dividend paid relating to 2010	-	-	-	(822)	(822)
Total comprehensive income for the year	-	-	-	(1,076)	(1,076)
As at 30 June 2011	15,827	(11)	355*	(984)	15,187
2010					
Beginning of financial year	14,449	-	360	1,231	16,040
Treasury shares	-	(11)	-	-	(11)
Share issue pursuant to:-					
- Performance Share Plan	454	-	-	-	454
- Exercise of warrants	665	-	-	-	665
- Script dividend	71	-	-	-	71
Share option expenses	-	-	(5)	-	(5)
Dividend paid relating to 2009	-	-	-	(754)	(754)
Warrants expenses	-	-	-	(100)	(100)
Total comprehensive income for the year	-	-	-	537	537
End of financial year	15,639	(11)	355*	914	16,897

* 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 2010	400,916,289	20,778,000	287,686,656
Exercised of Warrants	10,026,838	-	(10,026,838)
Balance as at 30 June 2011	410,943,127	20,778,000	277,659,818

Total number of outstanding shares options is as follows:

Date ESOS Grant	Exercise Period	Exercise Price	ESOS Outstanding as at 31.12.2010	ESOS Outstanding as at 30.06.2011
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	84,225,597
13.12.2010	W131206	13.12.2010 to 06.12.2013	S\$0.020	193,434,221
		Balance as at 30 June 2011		277,659,818

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.

	HY2011	FY2010
Beginning of financial period	400,916,289	354,496,344
Issuance of Performance Shares	-	11,348,553
Issuance of Scrip Dividends	-	1,967,797
Exercise of Warrants	10,026,838	33,354,595
Share Buy Back (Treasury Shares)	-	(251,000)
End of financial period	410,943,127	400,916,289

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

	HY2011	FY2010
Beginning of financial period	251,000	-
Share Buy Back	-	251,000
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 2010.

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 2011. 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 24	Related party disclosures
Amendments to FRS 32	Financial instruments: Presentation – Classification of right issues
Amendments to INT FRS 114	Prepayments of a minimum funding requirement
INT FRS 119	Extinguishing financial liabilities with equity instruments

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	
	HY2011	HY2010
Earnings per ordinary share of the group		
Based on weighted average number of ordinary shares on issue (cents)	0.01	0.04
Weighted average number of ordinary shares	402,435,819	358,675,302
Based on a fully diluted basis (cents)	0.003	0.030
Issued share capital at the end of	410,943,127	491,904,798

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 2011	31 December 2010
Net asset value per ordinary share based on issued share capital at the end of:	3.49	3.91
No. of shares used in computation of net assets per share	410,943,127	400,916,289

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	%
	HY2011	HY2010	Increase
Project Sales	12,032	8,216	46.4%
Project Management and Maintenance Services	4,629	4,485	3.2%
Total Group	16,661	12,701	31.2%

Gross Profit	\$'000	\$'000	%
	HY2011	HY2010	Increase/ (Decrease)
Project Sales	2,269	2,388	(5.0%)
Project Management and Maintenance Services	1,205	980	23.0%
Total Group	3,474	3,368	3.1%

(a) **Overview**

The Group has shown significant improvement since incurring a loss in FY 2010. Revenue for HY 2011 was S\$16.7 million with the Group returning to profitability. This was achieved due to the Group's decision to focus on its core business activities and countries.

Projects in ASEAN countries such as Vietnam, Cambodia and Laos were completed during the first half of the financial period, after the delays in cross borders and license issues between authorities were resolved.

The project in Thailand is progressing smoothly although at a slower rate than anticipated. The political situation has improved and we have also resolved the difficulties with our sub-contractors as their financial situation has improved.

(b) **Revenue**

Group revenue for HY 2011 was \$16.7 million, an increase of 31.2% over the previous corresponding year.

Project Sales contributed S\$12 million in value, an increase of 46.4%. The growth in revenue indicates the confidence that customers in the ASEAN region have in us.

The Project Management and Maintenance Services generated S\$4.6 million; an improvement of 3.2% compared to the corresponding period. The key contribution came from the National Broadband Network project in Singapore. As our reputation strengthened we have experienced general improvement and steady growth in this sector.

(c) **Profitability**

The Group generated a gross profit for Project Sales of S\$2.3 million, compared to \$2.4 million in the previous year. The decrease in the profit contribution from Project Sales is mainly due to the higher equipment and consumable costs. Delays caused by the political situation in Thailand has also increased certain costs due to inefficiencies.

On a positive note, profitability for Project Management and Maintenance Services increased by 23.0% to \$1.2 million.

Whilst equipment and consumables costs increased by 39.9% in line with revenue, management has been able to control other costs such as; freightage decreased by 66.0% and commissions and consultancy decreased by 91.1%

The Group also recorded a realized foreign exchange loss of \$0.2 million due to the weakening of the US dollar against the Singapore dollar. After this realized foreign exchange loss, the Group still maintained a positive profit of \$30k for HY2011. The Company has also recorded an unrealized foreign exchange translation of \$0.7 million under Other Comprehensive Income which is due to the translation differences arising from consolidating operations from different reporting currencies.

(d) **Balance Sheet**

Cash and cash equivalents during the period decreased by \$1.9 million as bank borrowings were repaid and Year 2010 dividend paid out. Warrants of \$0.2 million were converted during this period adding back to the Cash level.

Collections were strong resulting in a decrease in current and non-current trade and other receivables by \$5 million. Both local and foreign customers have been paying.

(e) **Cash flow**

There is an improvement in net cash from S\$3.7 million as at 30 June 2010 to S\$4.3 million as at 30 June 2011.

However, compare to 31 December 2010, cash and cash equivalent recorded a decrease of S\$1.9 million for the period under review. The decreases was mainly attributable to the payment of dividend and repayment of borrowings to financial institution. This is part of the Group's effort in cost reduction by reducing borrowings and remaining self-sustainable for working capital with the available cash on hand.

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 challenging and competitive for the next 12 months.

Outstanding order book as at 30 June 2011 is \$28.4 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/recommendeded, a statement to that effect.

There will be no dividend declare for the 6 months period ended 30 June 2011.

BY ORDER OF THE BOARD

Jimmy Chang Joo Whut
Managing Director
3 August 2011

*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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